

SOFT POWER AND THE UK'S INFLUENCE COMMITTEE

Oral and written evidence – Volume I (A-G)

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**Sir Antony Acland, Lord Hannay of Chiswick and Lord Jay of Ewelme –
Oral evidence (QQ 292-309)**

Evidence Session No. 18

Heard in Public

Questions 292 - 309

Members present:

Lord Howell of Guildford (The Chairman)

Baroness Armstrong of Hill Top

Lord Foulkes of Cumnock

Baroness Goudie

Baroness Hussein-Ece

Lord Janvrin

Baroness Nicholson of Winterbourne

Lord Ramsbotham

Examination of Witnesses

Sir Antony Acland, former head of the UK Diplomatic Service and Ambassador to Washington,
Lord Hannay of Chiswick, former UK Permanent Representative to the EEC and the UN, and
Lord Jay of Ewelme, former head of the UK Diplomatic Service and Ambassador to Paris

Q292 The Chairman: Gentlemen, first of all thank you very much for agreeing to come before us and share some of your thoughts with us. The remit of the Committee is soft power and British overseas influence, which of course covers a multitude of thoughts. I should formally say that, in front of you, you should have a list of the interests that have been declared by the Committee, which is I hope of help to you. I am afraid that if there is a Division, we have to break for five minutes. We cannot avoid that. I just hope it will not happen, but it may. Again, thank you for coming.

Let me begin by saying that you have all been at the centre—the very heart—of British diplomacy over a considerable number of years. We have had witness after witness and paper after paper asserting that in some way there has been a step change in the nature of diplomacy. It has spread out, and the interface is not just between traditional diplomats, heads of government, and high officials. If we are to secure our interests and persuade people of the line we are taking nationally, it now involves a much wider degree of public diplomacy.

I suppose, in the language of the BBC, I ought to start by asking, “True or False?”. Have things changed or not? Sir Antony, I am going to start with you, because I think you stretch over a longer period than anyone else in this room. You have been at the very head of the Foreign and Commonwealth Office over the years and have watched things change. Do you think this has happened, or is it really just the old story rewritten?

Sir Antony Acland: I am sure it has happened. If one thinks of the past a little, in the 19th century and the beginning of the 20th century, diplomacy was really conducted entirely on an intergovernmental level. It was conducted by diplomats. The interest was the balance of power in Europe, or the balance of power with the Ottoman Empire. I am sure that all that has completely changed. The business of diplomacy and the business of embassies have broadened enormously. This is partly the result of various reports into the Foreign Office, such as the Duncan report, which quite rightly said that we had to pay much more attention to trade.

However, it is not only trade. When I was in Washington, there were representatives of every single activity coming through. Obviously, Ministers and civil servants, but also doctors and scientists and religious leaders and journalists, and anaesthetists—anaesthesiologists, as the Americans call them. All these groups came to the embassy, partly to make contact, partly to be briefed, and partly to be put in touch with their opposite numbers. Then they went off into the States of the Union to pursue their particular interests. As I described it, if you twisted all these different strands of activity into one large cable, it was a very significant cable across the Atlantic joining Britain and the United States of America. Through that cable was presented every form of activity that Britain was involved in, thereby giving the Americans a feeling of what we stood for and an image of Britain. I think that is very important, and that is what diplomacy is much more about nowadays.

The Chairman: Do you think the information revolution has thickened the cable even more? Schools are talking to schools, universities to universities, doctors to doctors, and professions to professions electronically and not necessarily through embassies. Do you think that has changed things?

Sir Antony Acland: Yes, I think it has to a certain amount. It has certainly speeded up communications tremendously. I suppose you can put things through the cable more quickly electronically. Yes, I think that is a big change in the way the Foreign Office operates. When I was there, we still had incoming and outgoing ciphered telegrams. It is now electronic messages. It means that diplomacy has to act more quickly. There are always journalists who are ahead of the news, who sometimes complicate things. However, yes, I think that is another very big change that has happened.

The Chairman: Lord Jay, you have more recently been at the head of the Foreign Office. How do you react to those questions?

Lord Jay of Ewelme: I agree with what Antony has said. There has been a step change. One thing I would like to emphasise is, as Antony has spoken about, the range of people and interests that visit embassies. Embassies themselves are far more aware than the Foreign Office ever is of exactly what that range of activities can be. In some ways it is the embassy that can draw together all the various actors in public diplomacy in a way the Foreign Office never can, because it inevitably only sees a part of it in London.

It is one of the things that certainly struck me when I was in Paris. You had every government department represented there, as well as getting everybody coming in. You were a sort of mini-Whitehall; many embassies are mini-Whitehalls. The amount of pure Foreign Office work that an ambassador does these days can be 10% or 20% sometimes in some parts of the world. That is a real change. From time to time, I have seen that in evidence given to your Committee, people have talked about the FCO. There does need to be a real distinction between the FCO in London and what its relations are with other government departments in London, and the role of

embassies and high commissions abroad. These embassies see the totality of British interests in a particular country in the way that the Foreign Office itself probably never can.

Q293 The Chairman: That is a very interesting distinction and certainly accords with what we have heard from other witnesses. Lord Hannay, you have been particularly involved during your long career with the international institutions, along with other things. How does it strike you, this claim that there is a new scene—a new characteristic in diplomacy?

Lord Hannay of Chiswick: Well, I think it is true, as my two predecessors speaking have said, that things have changed a huge amount. There has been an enormous widening of the subject matter that you deals with. A huge range of issues such as climate change or nuclear non-proliferation, which probably were not much dealt with by embassies prior to 40 or 50 years ago, have increasingly to be dealt with. They have to be dealt with within an international framework that is much more rules-based than it has ever been before in the history of the world. Therefore, the interface between bilateral and multilateral diplomacy—how to get the country in which you are an ambassador to take a helpful line at an international organisation where Britain has an interest in pushing something forward—has grown very greatly.

However, I would say a word of caution about this business of a communications revolution, internet, et cetera. The fact is there is not a single pattern in every country in the world. Every ambassador still has to work out how the foreign policy of the country he is in is formulated, who influences it, and how he can influence them. That will be completely different from country to country. In autocracies it may be a tight-knit, narrow little body. In other countries, particularly democracies, it may have widened out hugely and involve a lot of the electronic media and so on. However, the idea that there is somehow one single approach to this is wrong.

Lord Foulkes of Cumnock: Lord Hannay, you just said “he” when you referred to ambassadors. With no disrespect, you are all Oxford graduates. Two of you are Wykehamists and one is an old Etonian. You are white and you are male. Robin Cook, when he was Foreign Secretary, made a big effort to try to broaden the scope of our ambassadors abroad: more women, more people from comprehensive schools, multiracial, and maybe even a few from redbrick universities. How has that succeeded? What are the changes? Has that happened, and do we have a different kind of ambassador than just a male Oxford graduate?

Lord Jay of Ewelme: Perhaps I can have a go at that, as I was Permanent Under-Secretary at the time. You put your finger on something that is hugely important, because the Foreign Office’s, or the country’s, public diplomacy is only going to be successful if what it is trying to say is what it does. If what it does is just us, it is not going to succeed. Now, I think the Foreign Office has made huge efforts over the last 10 years or so and is continuing to do so. If you now want to get a work placement in the Foreign Office, there are, quite rightly in my view, special schemes for women and ethnic minorities. If you were like David or Antony or me, you would not have much of a chance. This is a real conscious effort to try to widen the intake into the Foreign Office. I think it is happening more than it did in the past. There are conscious efforts to try to ensure that it does happen. It has not yet gone far enough.

Lord Hannay of Chiswick: However, this can be exaggerated. I would refer to the period from 1990 to 1995 when I was at the UN. Even then, half my councillors—that was one step down from me—were women. The Foreign Office had been recruiting a lot of women for many years and many of them have risen very high. In Brussels, where only half my staff came from the Foreign Office, and the other half, or slightly more than half, came from other government

departments, there was a wide spread of women. That was the case even in 1985 to 1990. It has of course moved further, and ought to. However, it started from a higher base than some people give credit for.

Lord Foulkes of Cumnock: We have had a female Permanent Secretary in other departments. Have we had one in the Foreign Office yet?

Sir Antony Acland: No, not yet. However, as Lord Janvrin will remember, if you look in the *Daily Telegraph* or the *Times* nowadays, the majority of those who go to the Palace on appointment as ambassadors to kiss hands, which you do not actually do, are women. Very rightly, it is women with their partners. When I first joined the Foreign Office, if you got divorced, you had to offer your resignation. In all these respects, socially and as regards the sex of the ambassador, there has quite rightly been a very big change. I would think now a third of ambassadors abroad are women. Do you think so Michael?

Lord Jay of Ewelme: I do not know the figure.

Sir Antony Acland: It is getting up to that amount, I would have thought.

Q294 Baroness Nicholson of Winterbourne: I return to Lord Jay's point about the necessity, as he perceives it, of a decision being made maybe by the Foreign and Commonwealth Office as to the lines of command. This is given that the British embassies on the ground now have such a multifaceted bunch of ministries under them in situ. Could I ask how he sees that such a decision could be made, and is this different in actuality from 30, 40 or 50 years ago? If it is different, is that because of differing budgetary allocations to ministries here, or shifts of power and size of ministries? What is it that has made the change, if there has been a change? If there has not been a change, how did ambassadors manage previously?

Lord Jay of Ewelme: There has been a change. The nature of foreign policy has changed a lot. Issues such as immigration, for example, are of major importance in much of the world. Education is a matter of foreign policy in much of the world. Probably 50, even 20 years ago, if you were an ambassador, you were dealing mainly through the Foreign Office, and it was the Foreign Office's job to pass things to other government departments. Your staff and you yourself as an ambassador are now in touch regularly with the senior officials and with Ministers of pretty well every government department. That is what an ambassador does. I was in touch with Ministers from other government departments than the Foreign Office far more often than I was with Ministers from the Foreign Office. I was in touch a lot with Number 10. That has changed.

The role of embassies has changed a lot. The interesting question is the role of the Foreign Office in London, given the way in which foreign policies and embassies have changed. There it is a question, to an extent, of just making other government departments realise that there is something that they need to be conscious of. Maybe they could try some sort of—I do not want to put too strong a word on it—co-ordination or something, so that the things different government departments do in London are brought together in some way and form part of a slightly more coherent whole than can be the case.

The Chairman: That is fascinating. We have noticed from witnesses that almost every department of state, including some quite surprising ones, feel they are now at the spearhead of foreign policy in a way they were not before. Nevertheless, the embassies, as you have described them, are often the key, the hubs, in each country.

Lord Jay of Ewelme: Yes.

The Chairman: Is the implication that contrary to the futurologists' comments that ambassadors and embassies will be bypassed by Skype and instant communication, the opposite has happened and in fact the embassies are becoming more important?

Lord Jay of Ewelme: In a funny way, they have become more important in some ways, because they have a much wider range of interests and understanding. I will not say they will be bypassed by Skype, but there will be direct communications between actors in Britain and actors abroad who will not go anywhere near an embassy. Part of the job of the embassy is to try to keep in touch with that and see what is happening. I would argue that, in a way, embassies have become more relevant over the last 10 or 15 years, because they are dealing with such a wider range of British policy, not just foreign policy, than was the case in the past.

Q295 The Chairman: The next question from that—and I know our colleagues want to come in—is: are our embassies adequately staffed and resourced? Do they have the polymaths in place who can deal with this vast new range of issues that are part of the international interface?

Sir Antony Acland: Perhaps I can answer that. When I was in Washington as an Ambassador, we had a representative of every main department from Whitehall there. The embassy had the professional advice from each and every department. We hoped when I was there that we were going to get a royal flush of Cabinet Ministers. We totted them up. There were one or two rare birds like the Chancellor of the Duchy of Lancaster or the Lord Privy Seal, who did not have a particular reason for coming to Washington. However, all the others did, and all of them had one of their own people there in the embassy to brief them, in addition to whatever briefing I could give them as regards the political situation in Washington at the time. There was a very wide field of activity. Every department came, every department was represented, and every department had its contacts with their opposite numbers in Washington.

Lord Hannay of Chiswick: I was the number two in Washington well before Antony was ambassador. There was always a stovepipe problem in Washington. The departments in London had their stovepipe with the relevant department in the US Government in Washington and they had their representative in the embassy. Co-ordinating that, and ensuring that what you were doing on trade policy bore some sort of resemblance to what you were doing on climate change, or what you were doing on straightforward foreign policy, was quite demanding. The people who operated in the stovepipes were rather resistant to it, and they liked a situation in which they dealt with their home department in London and their opposite number in the United States. The United States is also well known for not operating very effective interdepartmental co-ordination.

There was always a stress to co-ordinate effectively in the United Nations when I was there. I used to have a morning meeting every morning to make sure that everyone in the mission knew what everyone else was doing that day. Therefore, the consistency of what we were doing in the Economic and Social Committee, what we were doing in the Security Council and what we were doing in the Decolonisation Committee, and so on, was kept under some sort of review.

In Brussels with the European Union, it was not such a problem, because the structure in London was much stronger. I did not get my instructions from the Foreign Office when I was the ambassador to the European Union. I got them, effectively, from the Friday meetings, in which I participated, at the Cabinet Office. These were chaired by the Deputy Secretary of the Cabinet, who was also the Prime Minister's adviser on European matters. That meeting virtually agreed the lines that were going to be pursued in the Committee of Permanent Representatives and in

the various meetings of the Council the following week. This was subject, of course, to meetings of ministerial committees when something important had to be thrashed out. However, the EU was very much a separate case in which the British bureaucracy had taken quite a few leaps forward from where it was in dealing with other posts abroad.

The Chairman: Lord Ramsbotham, I think you have a question on that very point.

Q296 Lord Ramsbotham: One of the things that I must say surprised me, and I have been reflecting on it ever since we heard it, was that the responsibility for the co-ordination of soft power—if there is a responsibility in this country at the moment—rests with the NSC. This seems to me slightly alarming in view of what you have told us about what you see as the movement to embassies as it were, with the FCO having a slightly different role in this, and bearing in mind that the NSC is involved in soft power. Thinking about the conduit between the NSC and individual embassies and back again, I wonder whether you could comment on whether you think that is appropriate and sensible or whether there is something missing.

Lord Hannay of Chiswick: The establishment of the NSC is a major step in the right direction. There was something really missing. There was the Defence and Overseas Policy Committee of the Cabinet, but it did not play quite as sophisticated a role as it is now trying to develop for the NSC. I cannot tell you, because I have no experience, of how the NSC is interfacing with ambassadors in Washington, NATO in Brussels, the UN or what have you. However, I do think it has within it the capacity to produce a bit more of what we have always had on the European Union side since we joined the European Union: a very strong secretariat in the Cabinet Office, staffed by people from different departments, including from the FCO. This secretariat advised the Prime Minister, pulled together a whole network of Cabinet Committees, and met once a week for three hours every Friday morning with the Permanent Representative to work out what we were going to do the following week. Michael Jay was one of the officials of that secretariat, in fact, when I was the Permanent Representative.

Lord Janvrin: The growing role of the embassy is a really interesting thought.

The Chairman: Yes, we are getting a picture here of the embassies and the Cabinet Office being more important. I am beginning to see the poor old FCO stretched a little thin and diluted over this. However, perhaps I am wrong.

Q297 Lord Janvrin: My question is whether the power of the overseas mission to influence opinion in a country is actually waning because of rolling news, social media from diasporas in this country, and the much more pervasive influence of sport, music and everything else on the cultural side? Do you think the ability of the Government to project their own public diplomacy agenda is quite tricky in a much wider field of modern communication?

Lord Jay of Ewelme: I rather agree with that. If I were high commissioner in Canberra just now, I would not be doing much with public diplomacy. However, it does vary hugely from country to country, as was said earlier on. If, for example, you are the new British chargé in Tehran, I think you are going to have a really important task. This will involve working out what, over the next five years, Britain can do through its embassy and other means to promote Britain's influence in Tehran and the knowledge in Iran of Britain. Nobody else can do that other than an embassy, it seems to me, and I think that will be an important job for an ambassador.

However, that is not going to be everything. There are going to be channels of communication that cut across what an ambassador or an embassy can do, and one has to respect that. When I

was Permanent Under-Secretary, I was in Dhaka in Bangladesh and gave an interview to a Bengali language newspaper. I flew back to London overnight and my e-mail inbox in London was full of comments from the Bangladeshi community in the north of Britain. They had seen the interview and were commenting to me on it. There are links here that are now part of everyday life, which no government machine can attempt to control. It can attempt to influence—it can get British views across—but it has to be quite careful in not trying to do more than it can do.

Sir Antony Acland: It depends to a large extent on the subject. If there is a major issue like the Falkland Islands, one thinks of the role played by Sir Nicholas Henderson, who was ambassador in Washington. He had an enormous impact, going on television day after day, explaining what we were doing, why we were doing it, and why it was right to do it. I think that in the big issues, when the ambassador can have access to the media, he can play a great role.

Lord Ramsbotham: I was hugely impressed two weeks ago in Kenya to see the way that the very able high commissioner, Christian Turner, was functioning in a rather egg-shell like environment there with extreme skill. He was contacting many Kenyans who in the longer term could be very useful to us. I thought it was excellent.

Lord Hannay of Chiswick: Again, you have to be very careful to distinguish different cases. I served in two places, the European Union and the UN, where the public diplomacy angle was completely and totally different. While I was in Brussels in the EU, I would have been taken out and shot if I had allowed myself to stand in front of a television camera and talk about Britain's European policy. That was a matter for Ministers and Ministers alone. It was too sensitive. It is even more sensitive now than it was then, but it was very sensitive then. Although I did a lot of background briefing of the press and I knew all the Brussels-based journalists pretty well, I never did public diplomacy there or indeed much back at home. I was not encouraged to.

The minute I went to the United Nations in New York, where there was a five-hour time difference, a different tone, and where the Gulf War was brewing up and happening, I was urged by Ministers to be on television as often as possible. I was also urged speak as often as possible to the journalists outside the Security Council. You have these contrasts, which it is absolutely crucial for any ambassador to understand and respond to. However, public diplomacy has become much more important, and certainly ambassadors to the United Nations are now expected to do a great deal of television work. This probably would not have occurred fifty or sixty years ago.

Q298 Baroness Hussein-Ece: Just following on, do you think our embassies are sufficiently proactive in promoting British foreign policy in terms of the soft power that we are interested in, or do you think they can get rather tied up in responding to the wide range of demands? I think it was Sir Antony who mentioned a mini-Whitehall. The demands are getting wider and wider ranging, and perhaps the soft-power element can get rather lost in all these demands. In the Bangladeshi example that Lord Jay gave earlier, you have a very large diaspora here in the UK with different demands and different ideas. This community certainly responds very vociferously to a lot of things they think the British Government should be doing and perhaps things they think they have not done. Where does the soft power lie in all those different demands?

Lord Jay of Ewelme: The answer to your question of whether embassies are good at this is that some embassies are very good at it and some embassies are probably not as good as they should be. However, if you are a young, or even not so young, and bright ambassador or high commissioner and you speak the language, you want to be out there. You want to be travelling

the country, getting on the airwaves, getting on the television, and promoting the British Council, the universities, or those aspects of Britain other than those coming from the government departments. That is what makes the job interesting. At least, that was my experience. I think you will find more and more that is what people do, because their motivation is to do that. Do they all do it? Not all of them.

There are some countries in the world where security and other considerations make it very difficult to get out in the way people would like to. You are rather forced into almost a laager and tend to be dealing more with what comes from London because that is the most important thing for that country. However, anybody in that position would be longing to get out of it and to be getting around the country and promoting soft power.

Sir Antony Acland: If you define soft power as I have tried to, all these contacts with people from different walks of life presenting their image of Britain is soft power that happens. As I said, all these people made contact with the embassy and got some guidance and so on. Certainly, when I was in America, I did not aim to go to every State of the Union but I went to most of them to talk about what Britain stood for. I tried to represent Britain in a wider sense, on issues such as the rule of law or human rights—all the important things we stood for—and present the image of Britain that could be absorbed by people. In America, of course, in the Mid West they had very little idea of what Britain was like, and I think you could use a certain amount of soft power with them.

Baroness Nicholson of Winterbourne: The United Kingdom is one of the rare net contributors to the European Union, and is a founder member of the Council of Europe. Yet we have at this moment a somewhat diminishing number—almost invisible in one case—of senior staff there. Have we decided that it is really not worth the game, not really worth bothering, and that we are better putting our limited energies in a different position? Or is that merely something that the Foreign Office should address but maybe does not have the capacity or the budget at the moment to deal with?

The Chairman: That is a question that is going to hang in the air for five minutes, because I am afraid we all have to go and vote. I do apologise, but that is the way things are. In five minutes we will resume.

Sitting suspended for a Division in the House.

Q299 The Chairman: The rest of our members seem to have got lost in their work, so we will start again. Baroness Nicholson's question is hanging in the air, which is about the quality and input of our staff to the EU. However, there is a broader question behind it, which is about the degree of diplomatic penetration into all the new international organisations that have sprung up in the last 20 years—or, indeed, in the last 10 years. How do the panel feel about the quality of our current representation in all the new organisations, not just the EU?

Lord Hannay of Chiswick: The situation in the EU is very bad indeed. In 1973, we started with roughly our population share of staff at every level, because they were recruited from outside without the need for competitive exams and such like. It is quite clear that this was sustained for many years by rather good programmes to encourage people, i.e. the Fast Track programme to go to the European institutions and so on. That seems to have all withered on the bough in

recent years. Now we are in a situation where the number of people of British nationality in the institutions is far below the population share.

That is a really serious problem, not just now but far more in the future. Like all bureaucracies, at the EU you go in at the bottom and you hopefully end up at the top. The number of people who get in at the bottom determines the number of people who end up at the top some 30 years later. Not only are we losing influence now, we are storing up decades of loss of influence in the future if we do not do something about it.

I believe the Foreign and Commonwealth Office is trying to do something about it now. It is not entirely their fault. It is partly, of course, due to the appalling language skills in British schools and universities. To get into the European institutions you are required to speak at least one language very well and a second or third language reasonably well. There are not many British people who do that. That is part of the problem. The institutions themselves are very reluctant to accept that there is a problem in this imbalance. During this uncertain period, when the issue of a referendum in 2017 is hanging over everyone—of course, that cannot possibly help recruitment, because who, starting their career, would set off to Brussels now, knowing that their career might come to a sudden end in 2017? I have suggested and will continue to suggest that at the very least they should provide what existed when we first joined, which was a return ticket for any civil servant who went and worked in the European institutions. That is to say that you would be guaranteed to get a place in the British Civil Service if your place in the EU Civil Service was terminated for reasons totally beyond your control. That would help a little.

However, it is a serious problem. For the other organisations, it is a bit less easy to generalise. There tend to be, in the UN system, a lot of British people who have been there for many, many years and have often risen to quite high positions. We are reasonably well represented, but we do not have proper overall sight of these things in Whitehall. There needs to be some better planning and strategising about how we ensure that people of British nationality are getting a reasonable proportion of the jobs in these very important organisations, which often apply rules-based systems from which we benefit but also to which we are subject.

Q300 The Chairman: I am going to stick with the staffing issue for a moment. We have just heard from Lord Jay that embassies are the thing of the future. There has to be tremendous busyness and contacts through embassies. Do we have enough staff to do that? Are we not scattering our embassy firepower through rather small micro-embassies all over the place? It may be a good thing—it probably is a good thing—that everyone is in the network, but that means one-man and two-man embassies have to undertake the kind of increasingly onerous jobs Lord Jay was describing. There is a shortage there. Now we hear that we are short of people across the new international institutions, which are springing up around where the power and wealth is, which is increasingly Asia and Africa, where we want to be involved. Now we are hearing that we are short of people in the EU. Are we beginning to look at a need for a whole step change upwards in the recruiting and mobilisation of our diplomatic resource?

Lord Jay of Ewelme: There is a risk of our being so short staffed that we cannot properly serve all the places we believe we should have our embassies in. I worry slightly about what I understand the policy is at the moment of cutting back on people going out from London and depending more on local staff in a lot of our embassies. You need to have people from London there, and they are not going to be good diplomats if they have not had the training earlier on in their career in lower positions in embassies. I worry about that. There is a genuine question as

to whether we have enough staff now involved in the Diplomatic Service to carry out the policies the Government would like us to. That is a very important point to focus on.

If I could follow up on what David was saying, I very much agree with him. If you take as a premise that our interest lies in shaping the international institutions to which we belong to further our interest, which I do, we need to have our people in them, helping shape them in that way. There does need to be a more coherent look at this, not just in the EU but across the board. Perhaps that is something which the NSC, which is looking at all this, can do, but somewhere in London there needs to be somebody thinking, “Do we have the right people, and do we have enough people in the institutions to which we belong so we can shape them to our interest?”.

The Chairman: Lord Janvrin, I know we have rather gone into your question.

Lord Janvrin: I apologise for the delay. Did you get on to the Commonwealth?

The Chairman: No, we have not mentioned the Commonwealth, which I am always happy to mention. There is one more institution that has a very light interface with our own personnel. We have had one or two personnel from Britain in it. There are those who say the Commonwealth network is at least a gateway to all the great, important markets of the future. Is this some other area where we should be encouraging higher quality staff to get involved? Is that something any of you have feelings on?

Sir Antony Acland: The Commonwealth is important for a whole variety of reasons. As you say, it is some of the largest countries, with huge power for trade and all that. It is also a way in which Britain can influence more countries in a favourable way, which is what the Prime Minister has been trying to do at the present Commonwealth Heads of Government Meeting, talking about human rights and the rule of law. If we trade in countries, it is really important that traders know there is a legal set-up where, if they get into difficulties, they can have recourse to it. Through something like the Commonwealth, that word can be effectively spread.

Certainly, when I was head of the Diplomatic Service, on the whole the Foreign Office paid proper attention to the Commonwealth and the Commonwealth Secretariat. We were all involved in their activities. Of course, there was a very senior Deputy Secretary-General in the shape of Humphrey Maud, who died the other day, who was extremely effective. One should not lose sight of this large grouping of countries where we can use our soft power to spread human rights, the rule of law and proper principles around effectively.

The Chairman: I am going to slightly switch and ask Baroness Armstrong to move from machinery to substance, because we have had witnesses telling us the marvellous things we are doing in the field of sport and culture, and we have had witnesses telling us we have not been so marvellous when it comes to earning our bread and butter or even looking after our security. Particularly on the trade side, other countries seem to have got there first when it comes to the new markets. Are we using our soft and smart-power weapons as we should?
Baroness Armstrong, do take over.

Q301 Baroness Armstrong of Hill Top: We were really interested in what you think the most important current threats to UK influence abroad are. Where do you see those coming from?

Sir Antony Acland: I will have a go, but I am sure the others will do it better. The threat comes from our major competitors, particularly in the trading field: Germany, France and now, very much, China. If you think of China operating around the world, particularly in Africa, there they are doing a lot in the way of infrastructure, building roads and so on, and gaining enormously as a result—getting their hands on raw materials and oil and so on. That is where our competition is.

We have to be good enough to compete to earn our bread and butter, as the Lord Chairman said, in these countries, particularly the developing countries of Asia. We must pay great attention to India, China and more to Latin America, to Brazil, Argentina and to the developing countries, which are developing quite quickly in parts of Africa. That is what I would see as competition.

There are particular awful threats like terrorism, which could upset a lot of our activities if there were a terrible terrorist threat somewhere, but in the broad sense I see it as competing with these other large countries, which are trying to do exactly the same as we are trying to do: to use their influence, their soft power, to gain rewards for themselves.

Lord Hannay of Chiswick: Answering your question directly, the greatest threat I would see is the threat we might withdraw from the European Union. You lose two forms of soft power that way: the first form of soft power is the soft power we have within the European Union: that is to say, shaping the laws and the decisions that are taken in Brussels, whether that is for the single market or anything else you might like to think of in the wide range of issues that are covered in Brussels. We would lose that. We might keep our access to the single market from outside, but we will have no say in the policy decisions that are taken about how that single market is run. At the moment, we have a big say. We do not have a determining say in all cases, because the decisions are taken by qualified majority. If you look at the statistics, last year Britain was in the majority in 55 decisions and voted against five. On the whole, that is a lot of soft power.

The other part of soft power we would lose if we withdrew from the European Union is the soft power the European Union has in international negotiations. That could be in trade policy, where negotiations with Japan, the United States or Canada are conducted on behalf of the European Union, greatly to our benefit. As you have seen, the Government have enormously welcomed the moves in that direction. However, we would be outside that. We would not be involved in that any more. We would have to look after ourselves and we would be lower in importance to the United States, Japan or Canada than the rest of the EU, with which they would still be negotiating.

This also includes other things. Look at the Ukraine now. Would we be exercising any influence over the rule of law, human rights and democracy in the Ukraine as Britain? The answer is no, not much. As the European Union, you can see the influence. Switch on the television set and you can see a large number of people in the Ukraine are saying that their Government's policy of looking more towards Russia and less towards the European Union is the wrong policy. Look at the Iranian deal that was done at the weekend. It was really managed by the EU three, supported by the rest of the EU, because it was neither an American policy nor a Russian and Chinese policy. The policy of sanctions plus diplomacy was the European policy. A lot of that would be at risk, frankly, which is why I say that is the biggest risk.

I agree entirely with what Antony has said about how, in the bilateral and commercial field, it is our competitors, and of course that includes other members of the European Union.

Baroness Armstrong of Hill Top: Lord Jay will have a different perspective, I suspect.

Lord Jay of Ewelme: I agree entirely with what David and Antony said about the clear threats that come from terrorism or from war breaking out somewhere. Clearly, part of our soft power is working to ensure that does not happen.

Baroness Armstrong of Hill Top: I was going to say it is to stop that, yes.

Lord Jay of Ewelme: That is hugely important, although it is something we have not been talking about. The other point is that what you have characterised as threats I would regard as opportunities. We can talk about the threat to our trading position from China, Brazil or India, but that actually ought to be a huge opportunity for us. I sometimes worry that the focus on the concept of threat shows a lack of confidence about our ability to pursue our interests and realise the opportunities that are there. We need to start looking at it in that sense: what do we need to do here or through our embassies to ensure that we can fulfil the opportunities there are before us? That leads us back into some of the things we have been talking about: having a strong UKTI and having the right people in international institutions in order to pursue our interests. I tend to look at it as opportunity rather than threat.

The Chairman: That puts it in a very good way and it is not far from our minds either, because obviously the EU is our neighbourhood; the bulk of our exports go there and so on. The EU has had some problems, as everyone has to concede, but what we keep being told by witnesses is that the big growth—the fast generation of wealth and investment funds and the big new markets—is shaping up elsewhere. That has been the language of the American rather crude commentary: the rest is catching up with and, indeed, overtaking the West. Are we geared into that scene?

Lord Jay of Ewelme: There is no reason that we should not be. It is a real mistake to think of these as alternatives or options. We ought to be realising our economic potential within the European Union and using our influence within the European Union to ensure that markets are opened elsewhere in the world, because that suits our exporters as well, and we should be developing links with the big growing economies so that we are exporting to them.

I have never been able to understand the argument one sometimes hears that these are somehow in opposition to each other. There is no reason why we should not fulfil them both, it seems to me.

Q302 The Chairman: I am sure that is the right approach. We have to get to grips with some of the evidence. We can operate through the great power of Europe—it is a huge and powerful bloc—but when we arrive in certain markets we find others have got there first and the others are the people who are supposed to be our partners in the European Union. How do we catch up with German, Italian, French, Dutch and Belgian competition in these new markets?

Lord Hannay of Chiswick: We have to become more competitive. In the end, embassies and ambassadors do not win contracts, businessmen win contracts. British business has to be competitive to win contracts. As we know, at various stages in the past 70 or 80 years, we have been very uncompetitive and there have often been moments when the Government have said, “Why is it that the Diplomatic Service cannot redress this balance?” It cannot redress the imbalance of basic uncompetitiveness. Getting the economy right and getting the investment going in at home is absolutely essential. We will not be able to redress the balance otherwise. We will not be able to win a bigger share of the Chinese market. The Germans did not win their share by cheating; they won their share by being competitive.

Q303 Baroness Nicholson of Winterbourne: Going back to the European Union's influence and particularly the EEAS, there is a window of opportunity, as I perceive it now, for Britain to be well further than *primus inter pares* in respect of Tehran. Certainly, this could be the case with regard to the EU and the wider Europe, most of the world and perhaps even, or with the exception of, the USA as well. We are much closer to the Iranians both historically and actually. Therefore, we have an opportunity. How do you see the Foreign Office gearing up to use that opportunity, so that we can get ahead of everybody else before they start to try to catch up?

Lord Jay of Ewelme: I agree with your premise. When I was in Tehran, I was very struck about how, in a curious kind of way, people seem to be looking at the Americans as British stooges. It is a very odd feeling. There are huge potential links and potential assets there. It comes back partly to what I was saying earlier on: we need to have an embassy there as soon as we feel it is secure to have one, and I hope that will be very soon. We need to have really good staff there, and through soft power, which is what we are talking about, we need to be working really hard to exert our influence and build on what we have had in the past.

Also, something we have not talked about yet, but I hope we can, that I should mention is the role of universities and education. This is hugely important in getting the young leaders of tomorrow into British universities now and getting British universities setting up in countries abroad where we have a terrific amount to export. This seems to me to be a market in which we ought to do that.

Baroness Nicholson of Winterbourne: Narrowing the question a fraction more, as a supplementary, how should the Foreign Office do that, given that we are all meant to be part of the EU, the G8 and all sorts of different blocs? How do you see the Foreign Office as being able to push Britain first?

Lord Jay of Ewelme: I do not see any conflict of interest in being a member of the EU and putting Britain first, to be honest. I would have thought we should have an embassy in Tehran, it should be properly staffed, and we should be acting on the influence we have exerted through the Foreign Secretary, and—through Cathy Ashton, as a Briton, playing her role.

Q304 Baroness Nicholson of Winterbourne: You are suggesting that the FCO is not as fully and completely well staffed as you would like to see. What is the next step?

Lord Jay of Ewelme: I am not saying it is not sufficiently well staffed to be able to staff a really good embassy in Tehran. That seems to be such a high priority now that it would do that. My concern is the peripheries. You have embassies that are really not achieving a huge amount. You have one or two people and a very high cost for protecting them. The question I ask myself is this: might it not be better not to have those and to have the people in the places that really do matter to us, like Tehran?

Sir Antony Acland: There is a question of priority there, is there not? Obviously, funds are short. Every government department is being cut down and it is very difficult to make ends meet. However, the priority must now be—I think of when Michael and I were there—seeing the possibilities and openings in the situation in Tehran. We would have said, “Let us get together experts, people who speak Farsi, to go out there and form an embassy, even if we have to take them away from somewhere else”. I think that would happen. I am terribly out of date, but I imagine that it would be happening now.

Baroness Nicholson of Winterbourne: This is the exact example: is the Foreign Office in a position to be able to galvanise and co-ordinate, with strength and authority, UKTI, say, DfID and the British Council for Iran? That is perhaps the key point.

Lord Jay of Ewelme: There is no reason at all why it should not. I went to 50 or 60 embassies around the world when I was Permanent Secretary and I saw some that were incredibly effective. You had someone like Ann Grant, who was our high commissioner in South Africa, who was extraordinarily good in getting together the entire British effort there in pursuit of British interests. She was highly effective. You went to some places where it was not as effective. I would think, however, that Iran is going to be such an important embassy for us over the next few years that the Foreign Office should be putting real pressure and emphasis on getting the right people there, and there is no reason why it should not be able to do that.

The Chairman: I certainly do not want to get into an in or out argument about the European Union, but we need some guidance on how we ride two horses, as it were. You have just said that if things go right, as we hope, Iran is a vast and highly sophisticated country with huge resources and we want to be in there. However, the EEAS will have an embassy there as well. This is quite a tricky business, is it not, to try to make best use both of our own interdependent relations and our existence as a member of the EU? How we do it?

Lord Jay of Ewelme: It should not be difficult. Perhaps I have been influenced by spending nine years in France and going to Paris quite a lot at the moment, but the French do not have any hang-ups about being a member of the European Union and promoting their own interest, and I honestly do not see why we should either.

The Chairman: Can we learn from them?

Lord Jay of Ewelme: We may be able to.

Lord Hannay of Chiswick: We may be able to learn from them by not making things into either/or choices. The French do not.

Lord Jay of Ewelme: Exactly, we can do both.

Q305 Lord Foulkes of Cumnock: I want to try something different, a long shot, because our witnesses have concentrated on their professional experience, but you have a lot of experience in a whole range of other things. We are looking for something new to suggest, some new way of approaching things. Michael mentioned universities and education. I wondered whether each of you had some idea that has not been tried before, which in our report we might suggest could be looked at for improving the United Kingdom's influence abroad. This might not be in your professional capacity but in sport, music, art and the whole range of other things you are involved in.

Lord Hannay of Chiswick: Surely, you do not want to lose sight of the tried and trusted instruments we already have: the British Council, the BBC World Service, British universities. These are what you might say are the great export industries of soft power, and we are good at them. In the past, we have proved we are good at them.

In business terms, surely you would invest in things that you are good at and ensure that they have all the resources to make you even better in the future. I gave the Committee some written evidence on this point: I would argue that we need to be looking very carefully at the switch of the BBC World Service to not being financed from the Foreign Office vote, which in a way is a

plus, because you can no longer say it is the tool of the British Government. It never was, of course, but that is what people thought, because it was financed on the Foreign Office's budget.

Now it is going to be financed on the BBC's own single budget. Are they going to provide it with enough resources? I do not know. I have looked at the arrangements that have been suggested and they seem remarkably flimsy to me. I would have thought it is absolutely essential that we have a BBC World Service that is not only good now but is capable of reacting rapidly when something like the Arab spring comes along and there is a need to double the amount of broadcasting you do to Arab countries.

The same is true for the British Council and universities. As you know, there is a tension now between the Government's policy of limiting immigration and making it more and more difficult for people to get visas, and the pent-up demand of students from emerging countries, which, I entirely agree with Michael, are the seed corn of our future soft power. These are people who come here, spend their university time here, go back and never forget it. That is with them for the rest of their lives, and that is very important.

Lord Foulkes of Cumnock: Some British universities and some of the independent schools are establishing campuses overseas. Is that a positive way of enhancing British soft power?

Lord Jay of Ewelme: It can be, very much so. Last year, I was in a city called Ningbo, which is about four hours' drive south of Shanghai. It is a city of about 6 million people. In the middle of it, there is a replica of Nottingham University campus—the building. There are very large numbers of Chinese there, many of them affluent, and there are quite a large number of people from Nottingham University as well. If well managed, this seems to me to be an extraordinarily powerful model, and there is a similar one I went to subsequently just outside Kuala Lumpur. Other universities are doing the same.

I do not know whether this would be for the Foreign Office or the Department for Education. If one is looking to the future and saying, "Where do we want to be in five, 10 or 15 years' time?", we need to ask what our universities are doing in which countries of the world. Where should we be hoping they are going to set up? How can we in some way get them to think about this, not always in competition with each other? How that could be a way of promoting British influence? Answering your question, Lord Foulkes, that is one area where I would put my finger.

Q306 Lord Foulkes of Cumnock: That is very helpful. We are getting some evidence that one of the problems about students coming over here is the difficulty of getting a visa.

Lord Jay of Ewelme: Yes.

Lord Foulkes of Cumnock: They have to go to other countries to get visas and they are finding it very expensive and very difficult. In your experience, is that creating problems?

Sir Antony Acland: It has recently been made easier for Chinese people to come here, has it not? That is a very good thing.

Baroness Armstrong of Hill Top: It is in train.

Sir Antony Acland: It is not for us to say what you should put in your report, but I would hope that you would say that the mechanisms already exist in the British Council. When I was in Spain, for example, the British Council played an enormous part in teaching Spaniards English. They had a huge English-teaching programme, which was enormously appreciated and very effective. Again, because the Spanish learnt English, they adopted British culture and a friendship with Britain. It is

there: the BBC World Service and the universities and the schools. That should be emphasised. It is not for us to say, but I hope it would be.

Lord Hannay of Chiswick: Students, researchers and academics coming over here are of course where we get the biggest economic benefit. We get less economic benefit from putting campuses abroad than we do from that. On the first aspect there are plenty of reports, including one from my own Committee, the EU Sub-Committee on Home Affairs, Health and Education, which you could easily drawn upon. Four Committees in the House of Commons and the House of Lords all recommended that the Government should stop treating students as economic migrants for public policy purposes. They arrive here with large amounts of ready cash in their hands and they provide employment in this country, often in cities where British universities are the biggest employer. In places like Birmingham or Canterbury, they are the biggest employer. There is something to be said there. I hope it will be said.

Lord Jay of Ewelme: To answer the question about what other things could be done, it would certainly be very helpful if our larger embassies could all be asked, “What do you think are the real levers of influence on policy in this country over the next five years? How would you like to see the various levers that you have available to you brought together in order to maximise the influence that we can exert?”. How are those levers going to change? How is technology going to change? There is no reason to suppose that technology over the next five years will be any less dramatic in its change than over the last five years. How is this likely to change? How do we use this to our advantage and, with any luck, get ahead of our competitors?

The Chairman: Your answers really are very useful, because you really have opened up the original question that I asked in a most helpful way. I am going to ask Baroness Goudie to ask one question and then Baroness Hussein-Ece. I am then going to try to bring things to a halt. We would like to go on a long way, but we have other things on our schedules.

Q307 Baroness Goudie: My question really comes from where you see our influence in other regions. We have talked about the big countries and we have talked about the EU, both of which, I agree with members of the Committee, are vital. Where else, however, do you see we should be looking to influence for trade? Could we perhaps look at where we should be taking DfID down this road? I know you are entirely separate, but I also feel the Foreign Office’s influence on DfID is quite important. There is also culture, but I would like to see where else you feel we should also be trying to have influence, because they will be the further emerging markets. As we know, there are many more countries that people do not even know exist. We should also be looking at those.

The Chairman: It is a very good question, because obviously in the general political discussion there is a feeling of slight imbalance between the enormous resources of DfID and the somewhat limited resources of the Foreign and Commonwealth Office and other internationally involved departments. Do we have that balance right? That is the question behind that.

Lord Hannay of Chiswick: As you know, I have spoken in the House many times in support of the commitment to 0.7% of GNI and the size of the DfID budget. That is a major development of Britain’s soft power in terms of actual economic development, if the money is properly spent and does not go into the wrong pockets. That is going to have a long-term benefit. It also has benefit, however, in the sense of Britain’s positioning amongst the aid donors. This is reflected in the Prime Minister having been asked to chair the commission that was set up to prepare the next Millennium Development Goals, the post-2015 Millennium Development Goals.

That is good, but I do worry a bit about the way in which over the years the separation between DfID and the Foreign Office has become too stark. There has not been enough recognition that they are actually working for the same organisation, called UK Inc. They are not working for two different organisations. I wonder whether enough is done to co-ordinate. I know they have done some good things with the Ministry of Defence in building up the pool for conflict prevention. There they have learnt a lot of the lessons of Bosnia, Kosovo and so on. We were not properly co-ordinated and were unable to move quickly enough when a situation began to get out of control in a country that mattered. The balance clearly cannot be putting DfID under the Foreign Office. That is not sensible either. DfID has very substantial sums of money at its disposal and will continue to have those at its disposal as long as the 0.7% target is retained. We should be thinking a bit more strategically about how this is deployed, and I wonder whether that is being done properly.

Sir Antony Acland: There used to be a Minister of State in the Foreign Office responsible for aid. I wonder whether it would not be a good thing to go back to that.

Lord Hannay of Chiswick: That was when it was completely subordinate.

Sir Antony Acland: It should not be completely subordinate, but to have a ministerial link might be no bad thing.

Lord Jay of Ewelme: I have worked in DfID as a separate organisation and DfID as part of the Foreign Office, and the Foreign Office when separate from DfID. I am clear in my own mind that they should be separate organisations, but they need to work closely together, because they need to be pursuing the same broad overall foreign policy objectives. That is doable.

The answer I would give to the question is Africa. If one is talking about how we can get ahead of the competition in the future, let us start focusing on Africa not as a basket case, as it is sometimes portrayed, but in fact as a continent that is taking a huge amount of British exports. In many countries—in South Africa, Nigeria, Zambia, Tanzania and Malawi—it is showing an ability to grow very remarkably. There is an area of the world on which it would be good for the Government as a whole, and not just DfID, to be putting a lot of emphasis.

The Chairman: Do we have the new diplomatic resources with the new skills and the new wider compass of duties and responsibilities to do that? That is what worries us.

Lord Jay of Ewelme: Quite possibly we do not. I am quite certain that the right priority is to say, “What do we need to do in order to promote British interests around the world in the bits that matter to us over the next five, 10 or 15 years? In order to do that, what are the resources we need?”, rather than saying, “These are the resources, and because the resources have been cut we are going to have to cut back on our objectives”.

Sir Antony Acland: You have to pick the winners, have you not? You have to focus on the countries in Africa that are going to develop. We cannot be everywhere. We do not have the resources for that. We have to focus on the winners.

The Chairman: Yes, the likely winners may be shifting, with the vast revolutions in energy and in consumer power, with the great growth in markets as large as Europe and in Asia now. It is very hard to pick those winners, is it not?

Lord Hannay of Chiswick: It is not all that hard in the one you mention, which is energy. Once a country clearly has large oil and gas resources, first of all it ought to be British companies that

are in there operating and selling all sorts of equipment for the development of those; nowadays you are not allowed to own these things. You can also be quite sure that countries like that are going to have more disposable resources to import than countries that are not so blessed. That is quite a long-term prospect. The fact that, for example, vast amounts of gas have been found in Mozambique would seem to point the fact that although Mozambique is currently one of the poorest countries in the world, it may not be that forever.

The Chairman: That is very shrewd and very true.

Q308 Baroness Hussein-Ece: You have already started to answer the question I was going to ask. We have already mentioned Africa and Iran. The question I was going to ask was which countries and regions should be the focus of the United Kingdom's foreign policy and whether this focus has changed over the years during your time at the FCO. You have already started to talk about Africa, quite rightly, and Iran. Lord Jay mentioned how Africa has been considered for many years or decades as a basket case. That is shifting, is it not?

Lord Jay of Ewelme: It is shifting, yes. We need to be thinking about it as a continent that has enormous potential in resources and trade in both directions, where we can make a difference. I would put that quite high up our list of priorities.

Baroness Goudie: We see in parts of Africa that China has bought up parts of Nigeria and other countries. This is not meant to be a trick question: how do you see us forming policy about how we could work with China in some of these countries? They have also been buying up food for food security. There are other issues, as well.

Lord Hannay of Chiswick: In the area of DfID's work and development, there is a real potential to work with the new emerging countries that are just beginning to become donors, like India, Brazil or China. They do not have huge financial resources in their aid budgets. They often have a lot of experience of pulling large numbers of people out of poverty, for example Brazil. They could very possibly work with us. I know DfID has done some work in this field, but it could be given greater encouragement to do this. In the future, we should be not thinking of an aid budget in mercantilist terms but of how we can use the fact that we are providing aid to increase our soft power by working with some of the big emerging powers, which may in fact welcome having us work with them.

Baroness Goudie: Do you mean partnerships?

Lord Hannay of Chiswick: Yes.

Baroness Goudie: Partnerships are very good. It is about having joint resources, rather than the same people doing the same thing.

Lord Hannay of Chiswick: Yes.

Lord Jay of Ewelme: Sudan is a very good example of that. It was clear to the British Government a couple of years ago that the Chinese had real influence in Khartoum. They also had influence in Juba, and we have been working with them to try to get China not just to see North and South Sudan as places from which to extract resources but that it is in their interest that there should be a peaceful resolution of conflict there.

Q309 Lord Ramsbotham: I am reflecting on what you are saying, particularly going back to Africa. In Kenya, they discovered oil up in Turkana. There have been strikes there. The high commissioner was concerned that DfID was out there and that it was not doing anything in

contact with him, but it was proposing some small educational development up there, which was out of tune with Turkana and nothing, really, to do with the development of oil. He talked about how much better it would have been if there had been a general Kenya policy and the power of DfID's bank balance, as it were, had been applied to that and linked to the development of finding oil in Turkana, which will need help to get it out to a place from which it can be exported.

Lord Jay of Ewelme: That is exactly what should be happening and exactly what a head of mission should be ensuring happens, in my view.

Sir Antony Acland: He must have an aid officer with him in the high commission in Kenya, surely.

Lord Ramsbotham: The director-general of DfID was out there sorting that out.

Lord Hannay of Chiswick: In recent years, there has been a tendency—Michael will probably know this more than I do—for the aid missions to be more and more separate from the embassies. That is probably a tendency that needs to be readjusted back a bit without falling into the trap of simply saying that aid is just a way of doing foreign policy. That would not be wise either. There is some happy medium between the two, however, and I am actually not sure we have quite got to it yet.

The Chairman: We have kept you a long time. I was going to say that it has been hugely enjoyable but it has certainly been hugely illuminating. I am going to end on a slightly more trivial note. There was a mention earlier that the news from Canberra and Brisbane is not frightfully good at the moment, but we have had evidence before this Committee about the news of cricket mania growing in Shanghai, where the fast bowlers from China are going to devastate the world, and in Afghanistan, which is leaping up the cricket league. It does indicate that sport has a soft-power drive behind it, and of course it is a game that we are the experts at and we invented. Maybe we can improve British soft-power influence through that as well.

Thank you very much indeed. We would like to go on, but as usual we are constrained by the time. We are extremely grateful to you for taking time to come and share your experience and wisdom with us. Thank you very much.

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Evidence Session No. 11

Heard in Public

Questions 187 - 199

MONDAY 21 OCTOBER 2013

Members present

Lord Howell of Guildford (Chairman)

Baroness Armstrong of Hill Top

Lord Forsyth of Drumlean

Lord Foulkes of Cumnock

Baroness Goudie

Lord Janvrin

Baroness Nicholson of Winterbourne

Examination of Witnesses

Dr Rudolf Adam, Chargé d’Affaires, Embassy of the Federal Republic of Germany, **His Excellency Mr Keiichi Hayashi**, Ambassador of Japan, **His Excellency Mr Roberto Jaguaribe**, Ambassador of Brazil and **His Excellency Mr Kim Traavik**, Ambassador of Norway

Q187 The Chairman: Your Excellencies and Chargé d’Affaires, we are extremely grateful to all of you for coming to this Committee this afternoon to share with us some thoughts on a very large and important issue but one that is often not fully understood. The remit of this Committee, as we are a British Committee and a British Parliament, is to look at our own country’s overseas influence and deployment of soft power. A great many books have been written on what soft power is, on how it should be deployed, on whether it is growing as an element in the whole diplomacy and international relations, and no doubt there will be many more books to come.

If I may, I will first put to each of you the basic question: what is your understanding of the concept? How does it fit into your country’s foreign influence? You might have some examples of how your own nation is investing in deploying and considering the development of its soft power influence. That is the first and basic question.

Could I start from my left, your right? Your Excellency, I see that Brazil has been described in a newspaper article as the first great soft-power nation. Of course, journalists will say anything, but how do you feel about that?

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Mr Roberto Jaguaribe: First of all, thank you very much, my Lord Chairman. It is an honour for me to be representing my country here. You have set up, as usual, a very intriguing and useful instrument for debating soft power in Parliament, which is, as we were saying outside, something that we do not have in our own parliaments but something on which we might follow your lead once again, because it can be a useful instrument.

Coming to your question, I think that Brazil has perhaps been occasionally recognised as the first big soft power because we do not have hard power, so it is easier to identify as a country that concentrates on one dimension. What do we perceive as the essence of soft power? This is a complex issue, but ultimately—of course I run the risk of simplification—it is the capacity to generate and to shape perceptions. You are building, either voluntarily or through an historical, cultural process, the capacity to generate images that are ultimately going to favour decisions that are going to be taken on the basis of the image and the perceptions that you generate. This can be carried out by different means. There is the attractiveness issue. There is the role model issue. There are a number of areas of impact where perceptions are shaped, such as the environment, humanitarian issues, human rights, food security, global governance, internal governance, and political behaviour internally. All that is helpful in determining the perception that you generate.

The Chairman: Ambassador, I am going to have to rudely interrupt you for a parliamentary reason, which I can only apologise for: we have all suddenly been called to vote and I am going to have to suspend the session for five minutes. Then we want you to continue exactly where we left off. As I say, I can only apologise; it is the way our Parliament works.

Sitting suspended for a Division in the House.

Q188 The Chairman: My apologies Ambassadors, but that is the way it seems to work in this place. Your Excellency, Ambassador to Brazil Mr Jaguaribe, you were giving us a very lucid explanation. Please continue.

Mr Roberto Jaguaribe: Thank you very much. As I was saying, for us, the essence of soft power is the capacity to generate and to shape perceptions, and ultimately to set agendas. In the case of Brazil, this is a forming issue. We have many strengths as well as a number of weaknesses in this respect, but ultimately we have been able to increase our visibility because, as I said, we are exuberant really only in soft power. As you may know, Brazil has been at peace with our neighbours for the past 140 years. We have a very keen interest in the inter-integration process in the region, and we have been able to generate good will around. This is an issue that we will perhaps pick up a little later during our conversation.

To focus for now on the issue at hand, we think that essentially this capacity to influence derives from a number of issues that are related, as I said, to the attractiveness that you can be perceived as having and to being a role model on several important issues. The cultural dimension, the sports dimension—all that generates a good impact.

It is curious to see that many of the important elements of soft power cannot really be harnessed by government. If there are attempts to harness them they will probably lose some of their effectiveness. Hollywood, for instance, is an enormous source of soft power, but if the White House or Congress controlled it it would immediately lose its appeal globally. Sometimes it is wise to leave things as they are. At other times there are a lot of things to do.

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I will make one final remark. There has been enormous variation, and the world today is much more complex than it used to be. There are more relevant actors. There is the so-called emerging group of countries, which Brazil is part of. The emerging countries are doing very well, but in one thing they are still emerging, and this is where the UK excels. Ultimately one of the essences of soft power is generating information. The UK is an enormous generator of information that is consumed worldwide. Of course, one must not confuse data with information. The UK is a big absorber and processor of data and a generator of information. Information, even when it does not try to, always has an ideological component. This is spread and consumed throughout the world. The UK has an enormous amount of soft power in many dimensions, but this is a fundamental one. Of course, this is derived from another point which I have not referred to but which is fundamental: the English language, which is the global language of communications today. Therefore the UK has a privileged position. This is true not only of the UK, obviously, but it does have a privileged position because of that. That is my brief answer, so as not to exceed the two minutes that I was supposed to use.

The Chairman: Your Excellency, thank you very much indeed. That was extremely interesting. May I suggest that we go straight on and ask all our visitors to comment in the same way? Then we will come on to some questions and ideas.

May I turn to you, Dr Adam? As the chargé d'affaires, you have to carry the burdens of the ambassador, who has sadly gone. He was a great friend of many of us. You represent in Britain an enormously powerful country with huge interests around the world. What role does soft power play in pursuing those interests?

Dr Rudolf Adam: Thank you very much. As you are aware, Germany excelled in hard power in a rather dubious way in the last century, so we have turned to soft power ever since. I do not want to go over the things that the Ambassador has already said, because I am in full agreement with him, but they include influencing thinking, forming concepts and generating information. These are extremely important.

Let me just add one or two aspects that are characteristic of our experience. It is extremely important - as a nation that has been dominating world trade for such a long time probably knows very well - to set standards and norms, not only technically and industrially but legally, to generate good will, to generate attention for the way you do things, to invite competition in best practices and to set fashions not only in clothing but in thinking. Lastly, I would say that it is extremely important to generate the perception that you can make a positive difference in solving the world's problems. That is the big difference with hard power: hard power makes a difference by destroying things, whereas soft power essentially resides in making a positive contribution.

Q189 The Chairman: Thank you very much for an excellent and concise opening statement. Ambassador Traavik, may I turn to you? Last week we talked to Professor Nye, who is a great authority in these matters. He mentioned your country as the perfect example of a country with a small population compared with your neighbours but nevertheless with fantastic impact. Is there some secret here that we have to learn from? Tell us how you see the soft power scene.

Mr Kim Traavik: Thank you very much, my Lord Chairman. I am a little humbled by being asked to appear before this Committee in the British Parliament's House of Lords, Britain being a country that almost always comes out on top of the various indexes and ratings carried out on soft power, and being the home of great institutions such as the BBC and the British Council. It

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would seem that we had little to teach you about soft power, since you seem to be cornering the market, as it were.

Let me start by responding to the question that you asked at the outset and in the list of possible queries that you sent to us before coming here. How do we understand the concept of soft power? Let me start by making perhaps the obvious point that we do not have an official definition of the term “soft power”. We all know what we are talking about, but it is hard to arrive at a hard and fast definition that will apply to all countries in all parts of the world. You referred in passing to Professor Joseph Nye. His definition would seem to us to be a pretty good one to start with when he says that it is, “the ability to shape the preferences of others based on the attractiveness of a nation’s institutions, culture, politics and foreign policy”. But that is only the beginning. We would add that what is key when you are applying efforts to enhance your soft power is credibility. All the other terms used in Professor Nye’s definition would come to no avail if the policies on which any given nation based itself did not have, in the best cases, considerable credibility, and we try to make use of that in the areas where we consider ourselves to have some credibility.

The second introductory point I would like to make is that although we are flattered to be mentioned in these ratings and indexes—in some cases we are fairly high up in them, although not as high up as the United Kingdom—we do not have a national policy for the creation or buttressing of soft power. Rather, it seems to us that in our case soft power is the end result of policies and forms of engagement that we would have pursued in any case. A case in point that we might revert to later on is the fact that we are seen by a number of people in the international arena as a nation that has been a force for peace. We have involved ourselves in a number of processes of conflict resolution and reconciliation all over the world. That has been perhaps the most important foundation for whatever soft power we have been able to wield in the last 20 years or so. However, that is not something that we have set out to accomplish as a means of building soft power. Rather, it has been the coincidental result of the fact that we became involved at an early stage in some conflict resolution processes. Following that, we have noted that people have come to us, as opposed to us coming to people, to ask us for our services, good offices, or whatever the case might be.

Finally—I am aware that I have slightly exceeded the two minutes that you have allowed me, but it is dangerous to ask diplomats to speak briefly—we also feel that another asset to us in building our soft power has to do with some key characteristics of the society that we have created: a stable democratic society that is in all modesty relatively well functioning and egalitarian; that is committed to equality, including equality between the two genders; and that is a well to do society that is richly blessed by nature but has also made some enlightened choices about the management of those resources, which is perhaps most clearly seen in the fact that we have a fairly substantial sovereign wealth fund, which has become a major investor in many countries in Europe and elsewhere.

So there are two aspects to this: first, our involvement, our international orientation; and, secondly, the character of the society that we have created, which cannot be copied by anybody else but that can perhaps inspire other countries embarking upon similar roles in development. Thank you, Mr Chairman.

Q190 The Chairman: Thank you very much indeed. Your Excellency, Ambassador Hayashi, you represent a country that in sheer economic power is, I believe, the second largest in the world. I know the statistics say the third—these are matters for dispute—but nevertheless it is a

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huge influence on the world economy. We have the impression that Japan has spent a lot of energy and resource on dealing with the deployment of its soft power and image and on pursuing its interests by these means. Is that right? Is that how you see it?

Mr Keiichi Hayashi: My Lord Chairman, first of all may I thank you for inviting me to this session. In the opening statements, I'm the No.4 batter; In our popular game of baseball, No. 4 batter is always the most powerful. I am not sure whether that is the case on this occasion.

Concerning the definition of soft power, I do not want to repeat what has already been said. We would base Joseph Nye's definition in our understanding. I would say that in the case of Japan, particularly post-war Japan, soft power has always been important, not just recently, because of the constitutional restriction on the use of hard power in the form of Article 9. Soft power has been given greater attention by the Government in recent years as an important tool, or even pillar, for projecting our national interest. The whole concept of selling positive images of the country as well as concrete products is now encompassed in a policy campaign under the banner of Cool Japan.

Earlier, Japan's soft power focused primarily on cultural aspects, with the emphasis perhaps on tradition and exoticism. Now, more attention is being paid to contemporary manifestations of soft power, often called pop culture, while increasing emphasis is also being given to trade and export aspects. But here let me cite a good friend of mine who is an expert on Japanese soft power, Dr Yee Kuang Heng of the Lee Kuan Yew School of Public Affairs at the National University of Singapore. He said, "In light of the increasingly severe security situation around Japan, soft power would allow Japan to attract other countries who share the same values and interests. Japan has offered co-operation with Vietnam and the Philippines on shared interests and norms in maritime security and freedom to oversee lines of communication in the South China Sea. Prime Minister Abe's idea of active pacifism also helps make Japan more appealing as a country contributing to peace". So there are at least two kinds of soft power in discussion here. One is a primary focus on economic interests—the promotion of trade, exports, contents, or even food, fashion and other things. Also, there is a normative soft power that is being sought to make Japan an example to others and to bring other countries into line with the foreign policy that Japan is pursuing. In general, I must say that I feel the same as my Norwegian colleague: that Japan has learnt so much from the UK. In that sense, I would rather try to learn from being here than giving much to you.

The Chairman: Thank you very much indeed. That is a very useful start with four superb contributions. I would now like to ask my friends and colleagues on the Committee to ask some questions.

Q191 Lord Foulkes of Cumnock: I have one for the Norwegian ambassador. The Nobel prizes are probably the best example of soft power anywhere in the world. When they were started, do you know whether they thought of it in those terms or whether they have just developed in that way? Were they consciously developed as part of Scandinavian soft power?

Mr Kim Traavik: I think they have become a symbol of that, of sorts, as the years have gone by. At the beginning, it was part of the last will and testament of Alfred Nobel. He decided that, unlike the other Nobel prizes, he wanted the Nobel Peace Prize to be awarded by the Norwegian Nobel Committee. The reason quoted for that was that he considered Norway to be a particularly peaceful society, which you have to read in the context of the political realities of those days. But, as you said, it has come to symbolise some special quality not only of Norway but

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of the other Nordic countries—an internationalist orientation and an engagement in trying to contribute to the resolution of the problems that face humanity, be they in Europe or elsewhere in the world. From that point of view, the process has been as you suggested.

Baroness Nicholson of Winterbourne: This question is for the ambassador for Norway and for Dr Adam from Germany. From Norway's point of view, you stand alone, as my colleague has already said, in your excellence in so many fields that could be brought within the framework of soft power should you wish to do so. How much do you think that is attributable to your independence from the European Union? You can stand alone and make your own decisions, and you have a rock-solid democracy, egalitarianism and the qualities that you describe. Can you define for us whether that might be harmed if you were part of the European Union or whether it has been strengthened by your actual independence—and it is not merely that eating a lot of fish puts your brains a little higher up than the rest of us? For Dr Adam, I ask the very obvious opposite question. Germany has massive strength these days, thank goodness, which is on everybody's lips. For example, the obvious point of having a permanent seat on the Security Council. Has this been helped by your leadership in the European Union? Can you attribute it to anything at all or is it merely an outcome of Germany's incredible hard work and great economic success?

The Chairman: Mr Traavik again first.

Mr Kim Traavik: Thank you very much. It's an issue on which I feel a certain compulsion to tread a little carefully in the light of the discussions—I am jesting. Indeed, the question is very, very important. For a number of years, there has been a discussion in both academic and political circles in my country about that issue. The balance of opinion seems to be that it can work both ways. As you suggested, there is the fact that we are not bound by the rules of collegiality and solidarity that prevail between the members of the EU when it comes to the exercise of the common foreign and security policy. That can sometimes place constraints that might have made it more difficult to play the sort of informal facilitator's role that we have had the honour to play on a number of occasions. On the other hand, it is very clear to us that being part of the European Union gives you an added weight in international politics that can also be extremely useful in informal processes such as the ones that we are talking about. So I do not think there is a hard and fast conclusion either way. It will probably vary from situation to situation whether the fact that you alluded to—that we are not part of the European Union formally speaking, although we are close to it—gives us an added margin of flexibility or deprives us of the resources and weight that could have been useful in a different situation. I hope that that answers your question.

Q192 The Chairman: Dr Adam, the reverse question: is the EU the secret of Germany's great strength or is it a bit of a burden at times?

Dr Rudolf Adam: Thank you for that question, because I was going to comment on the European Union. From our experience, the European Union has been the most remarkable example of soft power. Whatever happened in Europe after 1989-90 was through attraction and setting an example that other countries and people wanted to join. That was regardless of the fact—and we heard some comments last week—that there is a growing necessity for reform. We probably all agree that there is too much bureaucracy in Brussels, but the attractiveness of the European Union is unbroken, as you can see by the fact that countries are lining up to join and other countries are even in the process of joining the eurozone. On the second point, on Germany's position inside the European Union: when the European Union was founded, Germany was in a very particular, very different position from the one that we are in now. I think this has sharpened

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our awareness that fortune's wheel is still turning. My warning to you is not to overestimate our resources. We are at the moment in a position of strength, but more than 10 years ago we were the sick man of Europe and in 10 years that can happen again. We have taken on a lot of responsibility. We approach the European Union not in terms of leadership or hegemony. We are a large country at the heart of the European Union. We think that that gives us a particular responsibility for making sure that the European Union is a success. But, as I said, we cannot run the show on our own. We need people to help and go along with us. We hope that we still have some of those people.

The Chairman: Very wise words.

Lord Forsyth of Drumlean: Perhaps I misunderstood what Dr Adam said. When you referred to the events of 1990, were you referring to the end of the Cold War and suggesting that that was a triumph for soft power? I would have thought that it was largely an example of hard power that brought about the disintegration of the Soviet Union.

Dr Rudolf Adam: I was referring not to the period before but to the period after 1990, when we inherited a Europe that was divided between free economies and communist regimes. Nobody had an idea of what to do with it. I was on the planning staff in our Foreign Office in those days and there were a vast number of theories about how Europe could be configured. Very very few people, I admit myself included, could imagine that 13 or 14 years later all these countries would be stable democracies—market economies—under the roof of the European Union. It was a wise decision.

The Chairman: Can I ask Mr Hayashi what particular objectives Japan is presently considering when we read in the newspapers that more money is to be spent on promoting Japan's image? What is the thought behind that?

Mr Keiichi Hayashi: I should mention that there are two aspects. One is the normative side—to try to mobilise support for the Japanese position on international issues in general. The other side is, I think, more mercantile or more conscious of the economic benefits that soft power can generate. That is called Cool Japan, which is borrowed from Cool Britannia, although I must admit that we do not have the tune of "Rule Japan", so it may sound a little strange to you. At any rate, we have put greater emphasis on the potential economic benefits that Japanese soft power can generate. In recent months, under the leadership of the Prime Minister's office, we have formulated our Cool Japan promotion organisation, and we are going to spend a very large amount of money—¥50 billion or ¥60 billion—on that promotion.

The Chairman: Would it be true to say, Ambassador, that Japan is slightly shifting towards a middle position between hard and soft power? You spend a lot on defence and feel that you face some dangerous threats in the area, not least from the activities in Pyongyang and North Korea. Whereas our American friends are telling us that they think they should move more towards soft power in promotion of their interests and defence of their security, you might be said to be moving the other way.

Mr Keiichi Hayashi: Certainly that has very little to do with the Cool Japan aspect. In the case of security, the cornerstone of our security policy remains the same under Prime Minister Abe's Administration, which is a solid alliance with the United States. We rely on the extended deterrence by US forces deployed in the western Pacific, including Japan. What Prime Minister Abe has been saying when he refers to active pacifism is that Japan wants to be more active in contributing to peacekeeping and peacemaking. We have been constrained very much by the

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constitutional interpretation, perhaps overly so. As you recall in the case of Iraq, which is perhaps not a very fortunate precedent for you, we sent our forces for engineering and water supply services, but they had to be protected first by British and then by Australian forces. We would not have been able to reciprocate that protection for friendly forces. That constraint on the Japanese contribution to international peace and security is something that Prime Minister Abe wants to address. Whether or not that would have some bearing directly on the situation in East Asia, it is probably not the case. In my view, that is slightly different.

Lord Janvrin: My question continues on this theme.

The Chairman: Baroness Nicholson, do you want to come in again?

Q193 Baroness Nicholson of Winterbourne: I wanted to ask a quick follow-up question, if I could. This is really a question to all ambassadors, although I am naturally targeting Dr Adam, because this is where it came from. The enlargement process, which must have been what you were referring to when you talked about the post-cold war collapse, has been such a massive success. The assumption that everyone is making is that hard power is only military. Just as the great market shows in Brazil—one of your huge strengths—and as the enormous trading power of Japan and of Norway shows, surely hard power needs redefinition. Is it not that sort of economic muscle, that sort of drive, that led the enlargement process, which was led by Germany and remains led by Germany? When we are defining soft power as an aftermath of high-value good work in that sense, is not hard power transferred from being heavyweight tanks and guns and so on into economic power and, I would suggest, numbers of people? The great market of Brazil is absolutely enormous. That is power. Could I ask perhaps for brief comments, Chairman, from the members of the panel as to whether they feel my thinking might be going in a relatively sensible direction on this?

The Chairman: Let us start with Mr Jaguaribe, because, as he rightly said to us, Brazil does not have hard power at all. Does that affect the way you would answer Baroness Nicholson's question?

Mr Roberto Jaguaribe: This is a very important issue, because this is a very imprecise and somewhat nebulous area and the differentiations are not very clear. You could perhaps generate methodologies that would be very precise in their definition, but ultimately if you exclude everything that is military, you will still find elements of strength that can be utilised in a forceful way without necessarily implying any bellicose attitude. As you suggested, closing the market is clearly one of those measures that is not necessarily friendly but can be extraordinarily influential. That goes for countries with big markets or big capacities in many areas. China, for one, is a very clear case. The United States, with its enormous hard power, also has enormous soft power, as we all know. This differentiation will depend on the assessment and methodology used, but ultimately, leaving aside everything that is related to the use of force or the threat of force, you can generally say that the other thing is soft power. I would say that having a big country with a big market is part of soft power.

The Chairman: Can we pursue this for a moment? We have had some very interesting evidence on this question of whether your soft power can work if you do not have hard power. You get into a trade dispute, let us say. If the opposite number, the counterparty, takes a very tough line and it really begins to affect your interests, is there not a thought behind it all that in the end you will have to give way because the counterparty might get really rough, interfere with your shipping and start escalating the whole thing into hard power?

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Mr Roberto Jaguaribe: One of the benefits that we witness today is the evolution of global governance, despite its enormous imperfections and shortcomings. Today it has become increasingly difficult to utilise single-handedly the type of abusive power that was used in the 19th century and even in the early 20th century. Even for the sole superpower of the world, the United States, there are a number of constraints that are imposed both internally from their own perception of how things should be done and externally because of the general consensus that is necessary for a number of things to be done. As you know, the WTO has mechanisms for controversy solutions that are working wonderfully well despite the fact that it is not making progress in trade negotiations.

Just as an example, we had a long-standing issue with the United States in relation to cotton, which we have won. We do not want to exercise the authority that was given to us of imposing sanctions, because ultimately sanctions are not conducive to benefit to us. We are leaning towards other solutions that are generating positive impacts. I do not think that today a commercial quarrel would ultimately lead to non-soft power confrontation as it did in the past.

The Chairman: That is a very fair and interesting answer.

Q194 Lord Janvrin: I come back to a point made by His Excellency the Japanese Ambassador about the Japanese Government's involvement in evolving the soft power agenda. There have been some differences about the view that very often—the ambassador to Brazil presented this case very well—something is beyond government control. Ambassador Traavik, I think you suggested that you had no national policy. I wonder whether—this is a question for all four of you—your Governments are increasingly beginning to look at ways of developing this, evolving policies, looking at ways in which some of the thinking that is going on in this area can be used to greater influence and whether indeed there are agencies within your countries that are beginning to look harder at how to use soft power in a more organised way.

The Chairman: What are the instruments that we should all be thinking about building up in this new world? Who would like to start? Perhaps Ambassador Hayashi would like to go first.

Mr Keiichi Hayashi: In the case of Japan, there is no single government agency that deals with soft power as a whole. I doubt that there is a select or standing Parliamentary committee that deals with soft power as a whole. The different committees, the different government agencies, deal with different aspects of soft power. Should the cultural aspect be dealt with perhaps on the international side, the Foreign Ministry deals with it, together with the Ministry of Education's cultural agency. The promotion of economic interests would be dealt with by the Ministry of Economy, Trade and Industry. This economic aspect is given such a high priority that the Cabinet Office is now taking the lead. That is why I mentioned the Cool Japan Promotion Council, which was established in March this year under the leadership of the Prime Minister.

It is difficult to say whether we have a coherent single policy to deploy our soft power in relation to specific items, but the policy makers in Japan would perhaps look in numerical terms at how much we could earn out of this programme and how to enhance the export values of fashion, food and our content industry in a certain timeframe. That is one approach.

In relation to the promotion of the Japanese image and the promotion of good-will towards Japan in foreign policy and so on, I think the Foreign Ministry will take the lead and organise a number of projects, programmes and events in that direction.

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The Chairman: I will call Lord Forsyth in a moment, but if the name of the game, as the Brazilian ambassador suggested, is generating information and language familiarity, could I ask the German chargé d'affaires what Germany is doing through its Goethe institutes and its other agencies to get into this business?

Dr Rudolf Adam: We lost tremendously as a result of the wars of the last century because the role of the German language has gone down dramatically, and I am afraid it is still going down on a global scale. It is by now the language spoken by the largest group of people inside the European Union as a native language, but of course it cannot compete with English, French or Spanish as a global language. So our answer is twofold. On the one hand, we have a large network of cultural institutions such as the Goethe institutes, we have an academic exchange programme, we have a programme under which we give scholarships to researchers of world excellence to study with us and to spend some time in Germany, but most of these things are now increasingly done in English, because we realise that the lingua franca of science is English and will remain English.

The other thing is that we try to teach German not only because of the importance of the language but because we are convinced that if you want to have a career in a German enterprise, which is quite attractive because German investments are globally quite strong, you should know some German, not only because it is a means of communications but above all, because only through the language do you come to grips with the mentality that is behind the language. There is nothing more fallacious than words if you do not understand what is behind the words.

Q195 The Chairman: Again before I call Lord Forsyth, Ambassador Traavik, what agencies is Norway putting its bets on in this new international landscape?

Mr Kim Traavik: I think the situation in my country seems to be quite similar to what was described by my Japanese colleague just a moment ago. We have no overarching agency responsible for pursuing Norway's soft power interests; rather, the responsibilities are apportioned out among the various parts of central government. Insofar as the promotion of culture is concerned, that means that the Culture Ministry, the Foreign Ministry and the Foreign Service will be the main instruments of promoting our image and promoting exchanges with other countries. In terms of creating understanding and recognition of our policies and engagement activities, the Foreign Ministry will be mainly responsible with, to some extent, the co-operation of the Prime Minister's office. That is the picture that I would describe in my country in that regard. A few minutes ago, you may have felt I slightly belittled the political priority given to soft power in Norway. I did not mean to leave that impression. I was just saying that there is no overarching or master plan, as it were, but we all recognise the importance of it. That can be illustrated by the fact that the number of staff involved in pursuing these matters has increased substantially in recent years and I expect that to continue in the future as well. There is an issue there. It is seen and recognised as important but there is no attempt to pull it all together and put it all under one roof.

The Chairman: Norway House off Trafalgar Square used to be the centre of Norwegian influence in London. That has now closed. You do not have agencies such as the Goethe Institut, the Chinese Confucius institutes, our British Council or anything like that?

Mr Kim Traavik: No, my Lord Chairman. We have integrated that responsibility into the various embassies. For example, in my embassy, I have eight or nine people who are basically responsible for promoting cultural exchanges, including language-related activities, music, the arts and so forth. So we do not have a separate branch of the Government responsible for that: it is

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integrated into the Foreign Service under the leadership of the Foreign Office and Ministry of Culture.

The Chairman: Does Brazil have anything like that, Ambassador? Brazil is obviously coming into our focus on the sport side because of your handling of the Olympic Games next time. You are emerging as one of the giants of the new international order. Have you brushed up some agencies to promote the Brazilian image?

Mr Roberto Jaguaribe: No, I believe not. I believe we have more or less the same institutional formation as my Japanese and Norwegian colleagues. We have multiple entities and agencies within the Government that have responsibilities that generate soft power. In the case of Brazil, one very strong element is associated with technical co-operation for developing countries, especially in agriculture and social development where we have had enormous success. That generates a lot of good will with our neighbours and in Africa, which are essentially the areas where we are doing that work. Because of that, Brazil has had the opportunity over the past 30 or 40 years to consolidate the perception of being among the leading countries of the emerging, developing world. That generates a lot of positive benefits, such as hosting the Olympic Games or the World Cup. We were chosen because we generate good will in the people who are choosing. The candidates from Brazil tend to be elected. Brazil tends to be elected in all multilateral elections. All that has an effect: there is a combination of the elements pointing in that direction. But we do not have a single entity that deals with policy in relation to soft power. In our case, we have the social communication office of the presidency, which will probably be the single most relevant entity in Brazil for that purpose, together with the Foreign Office and the other entities that I have mentioned.

Q196 Lord Forsyth of Drumlean: Whenever I try to think about what soft power is, it is a little like trying to put a cloud in a bottle: you touch it and it disappears. Can I just ask all of you a very practical question? I am interested in soft power as a means of advancing our commercial interests for British jobs and businesses. Could each of you explain how each of you would go about doing that from your own country's point of view? That seems to be the essence of why we are all discussing this.

The Chairman: I am afraid that we must leave that question hanging in the air: we have to go away for five minutes. I apologise. We have two or three crucial questions before we can let Your Excellencies go.

Sitting suspended for a Division in the House.

The Chairman: Lord Forsyth, can you just repeat your question, and then we must carry on? Let us hope we are not disturbed again.

Lord Forsyth of Drumlean: I will summarise my question. I see soft power as being about getting influence for NGOs, jobs and orders for our businesses, and I wondered whether the four of you could very briefly talk about how you go about that task in your functions. That seems to me to be what in the end soft power is focused on.

The Chairman: Inside your embassies, really, just as we are familiar with our embassies. There is a lot of commercial activity in them. Indeed, there is an increased emphasis on that under the

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present Government here in London. Is the same sort of sentiment reflected in your various embassies? Where shall we start? Mr Hayashi.

Mr Keiichi Hayashi: First of all, the overall picture is that the Foreign Ministry and its agency, the Japan Foundation, spends about £100 million every year to promote public diplomacy and to sell a positive image of Japan. On the more economic side, METI leads the industrial support for export promotion in the soft power field under the banner of what I called Cool Japan, and it was involved in the creation of the Cool Japan promotion organisation, which was established by a government contribution of ¥50 billion, plus private sector contributions, which made it almost ¥60 billion all together, which is about £400 million, to provide support for overseas promotion projects for the creative industry and media content industry. The ministry also provided ¥15.5 billion, which is about £100 million, for an export promotion programme to support what is called the localisation of media content, because we have the disadvantage of the Japanese language, which you do not have. We have to translate our films and animés, among other things.

Lord Forsyth of Drumlean: I am sorry to interrupt you, Your Excellency, but I was really thinking of what you are doing in your job.

Mr Keiichi Hayashi: I will come to that. There is also tourism promotion, administered by the Ministry of Transport, and the Ministry of Agriculture, Forestry and Fisheries promotes the export of Japanese foods and beverages. In response to all these, we in the embassy have organised a number of promotional events. First, we want to promote media contents, animé, manga, Japanese films or what is called the media contents industry, which are very much promoted in cultural events. I often host different events. Another example is our hosting of a railway seminar in the embassy recently, in which Japanese railway companies and manufacturers and 150 British guests participated. We also regularly organise tasting events for award-winning sake from the International Wine Challenge competition every year. We see great potential for sake exports. We also organise business seminars to promote Japanese businesses in Africa. A lot of our businesses are based in the UK, in London, and are responsible for overseeing the so-called EMEA region, so we are helping them to create networks.

I also co-hosted Japan Matsuri, which has been held every year since 2009 with NGOs such as the Japan Society and the Japan Association. As a result, we had 70,000 participants in a one-day event, a good response. During this festival, we promoted Japanese food, Japanese culture, Japanese products, and tourism.

The Chairman: So the answer is that you are doing a great deal. I have a problem as Chairman. I am very conscious of the time. You are all extremely busy ambassadors and you need to get away. I will aim for finishing before 6 o'clock, in fact, but I know that Baroness Goudie and Baroness Armstrong would like to ask one more question. You may wish to pursue some other points on the agencies that you are using, rather as the Japanese ambassador has just described to us. Baroness Goudie, would you like to speak now?

Q197 Baroness Goudie: Thank you. My question is aimed primarily at the Norwegian ambassador and it is on the role that Norway plays in peacekeeping, in particular the role that you have played over the last, say, 50 years in assisting countries that have been at war and that continue to be at war. You have been able through your channels to work with other countries that it would have been unacceptable for these countries to work with, which all of us who have been working on this are very grateful for. That is not said in a patronising way. Without you and the other Scandinavian countries, a lot of things that have happened in the Arab spring and at

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other times could not have happened. Do you see this as your role as a country, or as part of your influence on peace through soft power?

Mr Kim Traavik: I think we would see it as engrained in the national outlook on life, shared by many Norwegians and endorsed by the full spectrum of political parties, that it is our responsibility to try to help where we can—that perhaps sounds pretentious but it is not intended as such—to make a difference, for example in crises and conflict situations.

If you bear with me for a moment, we saw an impetus in the early 1990s when we became involved in the process that led to the Oslo agreements. There is this interesting phenomenon of seeming to succeed. In the aftermath we came tantalisingly close to facilitating a comprehensive agreement between the Palestinians and the Israelis, although we did not quite get there. But the fact that we seemed to be succeeding created a lot of interest in various countries where conflict situations or crises were under way or evolving, which forced us to up our game—you might understand what I have in mind—in the sense that we had to professionalise ourselves; we had to establish the necessary units in the Foreign Ministry and the necessary research avenues in Norway and abroad, and we had to make use of all the resources at our disposal. We receive many such requests each year, many of which we turn down for one or two basic reasons. One is that we take it upon ourselves to do something in this area only if all parties want it, because the parties own any given conflict and they must own the solution to the conflict. The second is that if we feel that we do not have expertise that is commensurate with the demands of that situation, we will also turn it down. That happens. But we have become involved in at least 20 such situations in recent years. There are others that we cannot refer to, because we have to accept that in the initial stages there has to be a secrecy about these things. This is the backdrop. It happened in a coincidental way, but it was very much in keeping with basic policies that we pursue and with the basic internationalist outlook that most if not all Norwegians hold dear. We see it is as a result of soft power on occasions, and that is all good because it makes it possible to have a dividend from it, but it was not something that we set out to do because we wanted to create soft power for ourselves. There is an important distinction here.

Baroness Goudie: I wanted to check the distinctions.

Baroness Armstrong of Hill Top: I am very tempted to follow up the business about secrecy in our current world, but I do not think we have time for that today.

I have a general question: how far do you think it is the actions of government that influence and improve soft power, and how far is it the actions and activity of civil society in its widest sense, or do they have to be linked?

The Chairman: Who would like to have a go at that? Mr Jaguaribe?

Mr Roberto Jaguaribe: As I said, I think there are different roles in different instances, and if you try to harness everything to the benefit of your vision from government you will probably do ill. There are some things that civil society has the strength and dynamism to carry out by itself, usually in relation to cultural manifestations and the like, but things that relate to global behaviour are usually done through policy and other government agencies and through private enterprise, which generates positive perceptions that can be extremely beneficial. The Norwegian case in the instance that has been called to mind is very obvious. Countries that have a tradition of being responsive to humanitarian requests generate good will. For the UK, the policy that is being followed of increasing official development aid obviously generates positive reverberations, and I think many countries follow on that path. Overall, the degree to which you are able to use

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negotiation and persuasion rather than imposition also generates good will. Those that have the capacity to impose can do so but they generate bad repercussions, not always but many times. So there is a distinction to be made between what can be done by government and what can be done by society. Even internally, to cite your own example, how you deal with issues of the democracy, transparency, human rights, education and cultural benefits can generate perceptions that generate role models and increase your capacity to become influential globally.

Q198 The Chairman: I know that others want to come in, but we are out of time. I want to ask the big final question, on which I would value a comment from each of you. You are all very senior diplomats indeed. There is an impression around, which is hard to crystallise, that the world has changed, we are totally digitally connected, every corner of the earth is bombarded with information, and connectivity is everywhere. As senior diplomats, has that changed your view of how to pursue diplomacy? Has it changed the whole nature of the tasks and profession in which all four of you are deeply involved? Let us have diplomatic views from diplomats. Ambassador Hayashi.

Mr Keiichi Hayashi: Last week I attended the annual ambassadorial conference in Tokyo, the conference of Japanese ambassadors stationed in Europe. I recall that maybe a decade or two ago we were primarily discussing the security, perhaps hard power, aspect, what to do with the threat from the Soviet Union and how to deal with the threat of INFs—all these things. Last week we focused very much on public diplomacy, and emphasised the need for the ambassadors to come to the fore and keep sending out public messages, including using social media. I started tweeting recently. This was probably unthinkable a decade ago. There was also a big emphasis on the need to use the embassy facilities of the residence and the office for the promotion of specific business interests. Again, that was unthinkable, say, 20 years ago, because the Government were supposed to be neutral to business activities and it was up to the businesses to do their job. Now, things have completely changed. There is constant pressure on the public sector to support the private sector in a visible way. That is my impression.

The Chairman: Ambassador Traavik, has it changed your job?

Mr Kim Traavik: Before I turn to that question, could I say a few words in response to the question posed by Baroness Armstrong? It is an important point about the partnership between the Government and non-governmental organisations. We have been very attached to that idea for many reasons. One is that NGOs have recourse to resources, insights, experience and competencies that you do not easily find in the public sector. We have established partnerships, including on peace and reconciliation processes, that would probably not have been nearly as successful had we not embarked on that sort of partnership with NGOs and academic circles. I just wanted to add that brief response to what my Brazilian colleague said on that point. Have the new age and social media changed the exercise of the job of senior diplomats? I think that it has. I would broadly agree with my Japanese colleague on that score. We are also starting to tweet. To me it seems to be the final proof that you can teach old dogs new tricks, with varying degrees of success of course. We are very much in that reality. We spend a lot of time on keeping our homepages up to date and using Facebook, tweeting and all that. That will become even more important as we move ahead. I am quite certain of that.

Q199 The Chairman: Has it changed your job Dr Adam?

Dr Rudolf Adam: Of course it has changed, particularly for someone who has been in diplomacy for more than 30 years. I would slightly differ from what the ambassadors have said. I realise the

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technical possibilities provided by Facebook and Twitter and we use them, but I personally do not think that they will be all that effective. So many facts and figures are reported almost instantly all around the globe, but the value added that we can create as diplomats is not to report facts and figures: rather, we take a strategic approach and try to explain to my Government what is happening in the society and in Parliament in this country rather than only within this Government. Conversely, we are trying to explain the reality of Germany in its multi-faceted way to this country. We regard ourselves as spokesmen not for the Government any more but for the people.

Let me just come back to one thing because it is important to me. We also believe in subsidiarity when it comes to trade promotion. Our Government and embassy are not directly involved. We leave it to those who would know it best—our industry. That is why we have chambers of commerce. Vince Cable said last week in a public speech that the German chambers of commerce network is the envy of the world. We are very proud of it. It works very well because we get the people together who actually know the thing and who bear the consequences if they make a wrong decision. Our Government only come into huge projects such as Airbus and Typhoon that by definition require the involvement of the Government either because they are government-run projects or because government credits are needed. But we do not intervene in the promotion of BMW, Mercedes, Audi or Volkswagen anywhere. Who would we promote at the expense of the other?

The Chairman: That is a very good point. Ambassador Jaguaribe?

Mr Roberto Jaguaribe: Of course, it has enormous influence. The internet first and foremost had an enormous impact on policy. Over the past 30 years, from the Government having almost a monopoly of the foreign service, it has transcended the Government and government agencies. Civil society is itself carrying out diplomacy through other means. It is very difficult today to say that we are able to concentrate all the capacities of diplomacy in all instances and that they are utilised to maximise general impacts and benefits. Especially with the internet, information gathering, which used to be an essential element of diplomacy, has practically lost its relevance because the internet does that for you. You do not need to go off finding out things that you can find out from your chair at home. Social media in Brazil is curious. We have just received a circular instruction to find out what other countries and other embassies do in relation to social media. I do not tweet and I do not intend to tweet. I do not Facebook either. I certainly do not intend to Facebook, but I might get an instruction to tweet, although not to use Facebook. We have found that Facebook is not adequate for diplomacy in Brazil, but tweets might be adequate. I might be forced to do that because of instructions from home.

The Chairman: I am very conscious of the time. Frankly, I would have liked another hour or two with you all because you have revealed so much to us and made so many profound points. However, we do not have that sort of time. It flies by. It remains to me to release you to your next duties, which I know stretch out into the evening ahead. Thank you all very much indeed for being so frank and illuminating in what you have offered us.

Adam Smith International – Written evidence

I. Introduction

1.1 Adam Smith International is a professional services business that delivers real impact, value and lasting change through projects supporting economic growth and government reform internationally. The technical assistance that we and other organisations provide is an important element of the UK's soft power, helping achieve UK objectives in a wide variety of circumstances. Such technical assistance, when provided effectively, can have a hugely positive effect. It is a form of aid that can have a major impact that is out of all proportion to its cost and which can help achieve transformational change. The return on investment in well-designed and well-delivered TA can be very high indeed.

1.2 In conflict environments this technical assistance is very much complementary to 'harder' exercises of UK power such as military force. We believe it would be most useful to the Committee if we set out some examples of the use of technical assistance as an effective form of soft power, and below discuss interventions in three countries, Afghanistan, Iraq and Nigeria. We first discuss the effectiveness of the primary UK financier of development assistance, DFID.

2. DFID, Britain's main financier of technical assistance

2.1 DFID (aka UK Aid) is widely considered within the international development community to be the leading provider of high quality advice to government in the developing world and the delivery of development programmes in these countries. The qualitative view of British excellence in development is underpinned in quantitative terms by the UK's commitment to spend 0.7% of GDP on Aid.

2.2 The quality of DFID's programmes – best measured in the results of these programmes - and the quantity of money that DFID spends gives the UK significant access to policy makers, political actors and other influential actors in the large number of countries where DFID is active and achieving significant results. There are three complimentary ways in which UK Aid projects soft power for the UK.

2.3 Soft power in countries: This access allows the projection of soft power directly through the UK's ability to influence policy in these countries. This influence is achieved in a number of ways:

- I. by DFID officials located in these countries providing advice directly to government on matters of policy;
- II. through the provision of technical assistance given to government directly by expert advisors funded by UK Aid through contractors such as Adam Smith International;;
- III. by setting conditions on governments that are in receipt of budget support, an instrument by which aid is channeled directly into the recipient government's budget.

2.4 Soft power on the international stage: the quality and heft of UK Aid gives DFID a significant voice in international development forums and multinational development actors, although more could be achieved.

2.5 DFID is arguably one of the most influential voices in world of international development, second only, perhaps, to the World Bank and IMF. International development is a rapidly developing, influential and dynamic sector/industry. Development programmes are growing in

scale, and complexity. In this time of exceptional change the UK, through UK Aid, projects significant power in helping frame the agenda, debate and future direction of this dynamic sector/industry.

2.6 Soft power with bilateral Aid Agencies: DFID also projects power by influencing how other bi-lateral aid agencies construct their own development approaches and programmes. The best bi-lateral aid agencies – Danish DANIDA, Swedish SIDA, Australian AUSAID and New Zealand Aid, inter alia, look to DFID as the leading bi-lateral agency and copy their approaches and programmes and often look to co-finance DFID funded programmes.

3. Afghanistan

3.1 Adam Smith International has been working in Afghanistan since early 2002 when we were asked to help rebuild key Ministry of Finance and Central Bank functions. Since that time, ASI has implemented over 60 projects in Afghanistan for DFID, USAID, FCO, DANIDA, EU, CIDA, World Bank, ADB and SIDA.

3.2 These projects have ranged from small design and review projects to major programmes of institutional development such as our ongoing multi-phase multi-year programmes of DFID funded support to institutions that include:

- The Revenue Department of the Ministry of Finance
- The Budget Department of the Ministry of Finance
- The Ministry of Mines
- The Ministry of Commerce and Industry
- The Independent Directorate of Local Government (IDLG) within the President's Office

3.3 These projects all have teams of long term international advisers – for example, a team of 2 in the IDLG and a team of 23 currently engaged in the Revenue Department - who work full time in the government institutions that we support and make up the bulk of the 60 or so international advisers we have in country at any one time. These experts from around the world work alongside our team of more than 100 Afghan technical advisers. We are particularly proud of the contribution that these Afghan colleagues are making to the development of their country, and we take care to support their professional development as an additional wider benefit to Afghanistan in terms of human resources for the future.

3.4 These programmes have contributed considerably to both creating a viable Afghan state and the conditions in which the international community can greatly reduce its involvement. If we look at some of the major programmes in turn:

3.5 **Results in tax reform** We have worked with the Afghanistan Government and DFID on innovative tax reform since 2002, initially as part of a broad project to support economic development, and since 2004 on dedicated DFID tax reform projects: *Tax Administration Reform, 2004-08; Strengthening National and Provincial Tax Administration, 2008-12; and now Tax Administration, 2012-15.*

In summary we have helped the Afghanistan Government achieve the following:

- » Develop a comprehensive tax policy and law that constitute the framework of Afghanistan's tax system.

- » Restructure, reorganise and build capacity of a sustainable modern tax administration in Kabul and five priority provinces.
- » Increase revenue six-fold since 2004. Revenue for the latest financial year was over \$2bn.
- » Increase revenue as proportion of GDP from 4% in 2004 to almost 12% today.
- » Increase tax revenue relative to customs, with tax taking over as the single largest revenue source in 2008 and increasing relative to customs at an accelerating rate.
- » Turn non-tax revenue, i.e. royalties, fees and charges raised by line ministries into a major revenue source from a close to zero base.

3.6 Results from DFID's support to the budget department. The DFID programme of support to the Budget department which Adam Smith International delivers began in early 2008 and is now in its second phase. Key achievements of that project to date include:

- » The rolling out of performance based budgeting reforms across all budget units
- » The development of the budgetary process to an 11 month schedule, that includes defined national policy priorities, from a 3-4 month process based on bilateral negotiations between ministers
- » The development of a Medium Term Fiscal Framework which is integrated into Pre-Budget document and Budget Statement - containing analysis of different fiscal pressures and risks
- » The introduction of a Medium Term Budget Framework containing budget ceilings - specifying what priorities the funding is allocated to – over 3 years
- » The raising of development budget execution rates by nearly 15 percentage points last year
- » The provision of assistance Afghan participation in the Open Budget Index (OBI) as a measure of the transparency of the Afghan budget process and raising Afghanistan's predicted rating to nearly 60% this year (from 8% in 2008) – higher than Poland and only slightly less than Italy.
- » The development of a comprehensive Budget statement in three languages and published online, containing analysis of historical spending, achievements, medium-term outlook, issues, budget and performance targets
- » The first ever presentation of new budget and fiscal policy reforms to the Afghan media
- » The formation of a dedicated capacity development unit within DGB (the Budget Reform Unit - BRU)
- » The mapping of all processes. All key budget processes have now been documented and training conducted as a means of making the Budget Department a process-centred organisation
- » On-budget funding modalities agreed for all donors, enabling donors to meet their Kabul Conference commitment to bring 50% of aid on budget
- » Establishment of a database for donors to self-report their projects to Afghan government providing greater transparency to the government about what projects are being carried out within Afghanistan.

This work has considerably improved the effectiveness of Afghan Government spending and thus has contributed significantly to the viability of the Afghan state.

3.7 Results in the Mining sector. Mining is the best hope for the Afghan economy. In 2010, a survey carried out by the US Geological Survey identified US\$1 to US\$3 trillion of mineral wealth in Afghanistan including significant volumes of copper, gold, iron ore, rare earth metals, and oil and gas. With ASI assistance the MoM is transiting from an owner-operator type role to that of a policy-maker and regulator able to attract private sector investment. With DFID-funded ASI support, the MoM has developed a five-year business plan to oversee its restructuring aims, and is two years into its implementation. Under this business plan, key directorates have been staffed, and significant capacity development has been undertaken within the policy group, the investment promotion directorate, and the legal directorate. The project has supported the ministry in updating the legal environment for mining in the country, which was previously outdated and unfriendly to investors.

3.8 The project has played a critical role in transforming the effectiveness of the MoM, catalysing significant private investment and creating new hope for the Afghan economy. If the MoM's plans are implemented the Afghan Govt. estimates its revenue from mining will increase to \$3.5 billion over 15 years which will cover 77.7% of the core budget. Afghanistan is on its way to becoming an economically sustainable state.

4. Iraq

4.1 In Iraq we have been helping strengthen centre of government institutions and address key finance issues since 2004. Our DFID-funded programme of support to Iraq over the period 2004 – 2010 was instrumental in setting up from scratch the central government structures in Baghdad, including the Office of the Prime Minister, the Cabinet Office and the Presidency, and associated policy analysis and decision-making systems. The effectiveness and success of this work was praised repeatedly by senior witnesses giving evidence to the Iraq inquiry. Tim Foy was head of DFID Baghdad:

TIM FOY In terms of the quality of consultants which we were able to engage to work for us in terms of the machinery of the centre of government, the Prime Minister's office, to work within the finance department, I think we would be hard pushed to have got better people. They were people that gave us fantastic leverage with the Americans, and where we punched genuinely above our weight, it was the quality of expertise that we were able to bring in. The Americans might have outnumbered us, but in terms of quality, I think there was a great deal of difference, and that brought us an awful lot of kudos. It brought us that access that I spoke about, the ability to engage at the highest level. I am amazed that it was the UK that basically got the standby agreement with the IMF, resolves Iraq's debt problems. It wasn't the United States. It was about half a dozen UK consultants that did it.

THE CHAIRMAN: And that is a very big thing, in terms of the numbers and significance.

TIM FOY: It was a big thing, and we should be quite proud of that.

4.2 Mark Lowcock, then Director of DFID's Bilateral Programmes, now DFID Permanent Secretary, described ASI's work in a personal assessment at the end of his evidence to the Chilcot Inquiry:

MR MARK LOWCOCK: I can give you a personal assessment of what are the biggest impact things we have done.

THE CHAIRMAN: Yes, we would like that.

MR MARK LOWCOCK: My personal assessment is that getting the macro-economy right and enabling Iraq to manage its growing budget effectively and enabling Iraqis to run their own affairs by better co-ordination at the centre of government level, more effective process in the Council of Ministers, all those things, in my assessment, are, you know, perhaps the most important thing to do for the long-term goal of building a capable state in Iraq able to, you know, look after itself.

THE CHAIRMAN: Thank you.

4.3 Similarly, when asked by the Inquiry to nominate an example of success, Christopher Prentice, who was Ambassador from 2007 to October 2009, cited ASI's work at the centre of government:

SIR MARTIN GILBERT: "Were you able to see specific achievements by November when you left?

MR CHRISTOPHER PRENTICE: Well, certainly the longer-term projects at the centre, in particular, as was mentioned this morning, the capacity building in the Cabinet Secretariat was really beginning to show results.

This was a very quiet project, which I think was not widely known amongst the Iraqi politicians whose interests it was serving, and all the better for being below the surface because it was so central to the government machine, and it was one which was very much hands-off. It was DFID's working through Adam Smith International, who were providing consultancy for the Iraqis and that was confidential to the Iraqis and it was - it could have been a delicate matter, but actually was handled quietly and successfully and - by the time I left, the Cabinet Secretary had got to the point of being able to -- already had started transition planning for the handover of government after the elections, now due in March, pulling together deputy ministerial level representatives across their equivalent of Whitehall, to draw some lessons from this period of government in terms of the structure of government for presentation to the new Prime Minister, when elected. That's a fairly sophisticated operation and was really, I think, an example of success."¹

4.4 ASI supported several transitions over the period of these years the most recent being the transition to the administration of the current Prime Minister Maliki whose administration, although not without faults, was robust enough to allow an exit of external military forces. The structures that ASI/DFID established are still in place - indeed a small team of ASI advisers remains in place within them funded by Swedish SIDA - and their robustness and resilience were key factors in allowing UK and other troops to withdraw and Iraq to return to relative stability and to begin the process of reconstruction. The project continues to deliver good results. It is very much appreciated by the Iraqi Government. Dr Alaaq, Secretary General of the Iraqi Council of Ministers Secretariat (ComSec) has commented:

"I have often compared the success of this relatively small project to the much larger projects supported by other donors that do not deliver results. The small team of ASI

¹ <http://www.iraqinquiry.org.uk/media/41640/100106pm-prentice.pdf> pages 48/49

advisors have achieved visible results and have made CoMSec an institution that we are very proud of.

ASI advisors have worked with me personally since 2006 and have provided advice to Iraq since 2004. The professional advice they have provided is always in support of our specific needs and this advice is provided with the greatest respect. We particularly appreciate that they recognize the need to adapt international best practices to our environment.

ASI helps me to focus on the longer term changes that need to be implemented, especially when it is so easy to become involved in day to day issues.”

5. Nigeria

5.1 Nigeria is facing wide range of challenges, including a dangerous Islamist insurgency. If it slips into chaos the fallout for Britain and other countries will be significant and costly. Moreover Nigeria is facing a demographic bulge which has the potential to transform its economic prospects, with benefits not only to Nigeria but also Britain. UK exports of goods and services to Nigeria are worth around £3b and rising sharply as the Nigerian economy grows.

5.2 Utilising this demographic dividend requires an improvement in Nigeria's stock of infrastructure. By a central bank estimate, there is currently an annual shortfall in infrastructure investment equivalent to 5% of GDP. The absence of sufficient grid power is a huge barrier to economic growth. In another DFID programme, ASI has been assisting the Nigerian Government to tackle these issues. Our recommendations of how to tackle the power sector problems have been accepted by the Nigerian government and power sector reform is now the Nigerian President's highest priority. We are well on the way to achieving transformative change with tariffs up hugely, the sector now viable and privatization about to occur. The economic effect will be gigantic. The improved service delivery in power resulting from the work of the project has, we estimate, already produced savings to Nigeria worth over £1bn in a full year.

5.3 Again the assistance is very much appreciated by the Nigerian Government. For example the Chief Economic Adviser to the Nigerian Government recently commented that “DFID through NIAF (the Nigerian Infrastructure Advisory Facility) is our best development partner. The contrast between NIAF and others is like day and night in terms of timeliness and effectiveness of support. Others will promise help but delay and go through various procedures so by the time it is available it has been overtaken by events. I really appreciate the assistance. I am very, very pleased. Let me say thank you. My main message is keep it going, keep it working in the same way”.

5.4 Of course we are not the only organisation to have made a significant contribution to Nigerian stability through the provision of technical assistance. For example, the work financed by DFID and carried out by Crown Agents to establish an effective debt management process was critical to ending Nigeria's status as a pariah state which did not pay its debts, and has subsequently saved Nigeria many hundreds of millions of pounds in lower interest costs.

6. Conclusion and policy recommendations

6.1 These few examples illustrate how UK development assistance is a critical component of this country's soft power. Our suggestions on policy are as follows:

6.2 Care must be taken to ensure that UK assistance not only remains fast and flexible, but is made faster and more flexible. This is a key element of its superiority over most other development assistance programmes and its attraction to recipients.

6.3 Similarly, care must be taken to preserve and increase the quality of technical assistance provided. Again this is a key point of comparative advantage. There are concerns, as highlighted for example in the Independent Commission on Aid Impact's recent report on DFID's use of contractors, that recent adjustments to procurement policy may be leading to a decline in quality.

6.4 To maximise soft power it is generally preferable for DFID to deliver assistance through its own bilateral programme, rather than handing funds over to multilateral organisations which tend to be much slower, less efficient and less able to deliver programmes that explicitly help the UK extend its soft power. Whilst the use of a multilateral organisation may sometimes be preferable, these occasions are relatively rare and the direct benefits to the UK less clear.

6.5 A stronger focus on language teaching in schools and universities would definitely help, as we experience a shortage of graduates with skills in languages other than French and Spanish, e.g. Arabic, Farsi, Urdu, etc.

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Indra Adnan, Soft Power Network – Written evidence

Beyond security: a new age of soft power

SUMMARY

Understanding and developing soft power is the single most important task for the British government to master in the 21C. While some of the reasons for this are commonly understood, some less so. I hope to give an overview of the rationale for this assertion along the following lines:

A: EXTERNALLY: enabling Britain's transition from a global (one world, one message) hard power to a transnational (beyond nations) soft power

1. Our success in helping to shape the global community and global society
2. Our ability to influence outcomes in international (between nations) conflicts
3. Our ability to stay buoyant in the rapidly changing global economy
4. The freedom and potential of global citizenship – UK citizens abroad and foreign citizens in the UK

B. INTERNALLY: keeping abreast of the changes in public agency and helping politics and government to remain relevant in 21C

1. Ability to represent the people of Britain in a meaningful way
2. Ability to regain / retain influence in the shifting power dynamics of the 21C
3. Ability to do the work of government more effectively than the media or other private initiatives
4. Make way for a new era of individual and social potential in the UK

I will make the argument that because of the radically changed nature of our global meeting space and the very different historical context within which we are operating since Joseph Nye first made these distinctions, soft power should be understood not as a commodity but as a capacity. Our soft power is our ability to be in the world flexibly and effectively – able to make a difference without betraying our bigger picture of a benign transnationalism. It implies our relationships with other countries as well as transnational movements, but also the internal relationships of community and governance.

For this reason, soft power should not be the remit of the National Security Council but have a ministry of its own that draws together all the vehicles of connectivity and influence alongside the tools of self development that shape our story of ourself. It would not be in the interest of the nation for any government to control our soft power, rather to support it and enhance its capabilities as it will be forever developing. In addition, an understanding of the balance between soft and hard power should be a principle underpinning all ministries, supporting them with research, training, personal and group development.

Beyond security: a new age of soft power.

1 In order to justify the scope of this paper, I should first describe my use of the term soft power. Joseph Nye agrees that he did not invent soft power: his gift to the world was to disaggregate the concept of power, to separate hard 'power over', from soft 'power for' – force from attraction. In so doing he named something that has always existed but was not distinct, could not be harnessed.

2 Nye did so in a very specific moment in time:

- post the failure of military action in Vietnam
- at the height of the Cold War - a b/w world of well defined good and evil
- in the hey day of Hollywood's articulation of the American Dream, before other film industries rivalled its domination of our screens

His impact came from being able to maintain America's image of itself as the only global super-power. Even if it failed in hard power, it remained unquestionably dominant in soft power: both were offered as tools to shape global preferences – to control the world.

3 Twenty years on the context for soft power is very different:

- fall of Berlin Wall and disappearance of Iron Curtain
- 9/11, birth of US vulnerability
- America pivots East and becomes mediator rather than master
- failure in Iraq, Afghanistan, Middle East: loss of faith in hard power grows
- rise of BRIC superpowers: idea of control loses power
- diminution of global appetite for war, awareness of military industrial complex
- global financial crisis: distrust of financial markets in global capital
- development of network sensibility in business and personal life
- growth of social media, rise of non-state actors
- growth of people power: Avaaz, Facebook, Twitter
- rise of women in spotlight – as actors and as causes
- growth of self authoring practice and industry

What this adds up to is a shift in the nexus of power. Whereas up until very recently we could identify who was in charge and the rationale for their actions, today everything appears to be more fluid.

4. Take for example the recent vote in the House of Commons on whether or not to bomb Syria and compare it to a similar vote on Iraq ten years ago when the PM, despite popular dissent, was confident of approval. Events played out very differently this time. Polls taken on the internet persuaded Ed Miliband to resist the call to war in the UK Parliament > Cameron's loss of permission to support Obama causes the US President to hesitate and call for a vote on Syria creating a vacuum > Putin steps up to the mediator role and gives Syria a way to step away

from chemical warfare > Obama appears to thank Putin for giving the US an alternative to the vote (a vote he may have lost).

5. What caused the radical shift in events? Not threats or promises, neither carrots nor sticks but a new context for action: each leader was led by their sense of how they would appear to their own domestic audience and to the broader global public. They were trading reputations and accumulating soft power – the ability to influence – for the future.

6. Does the British public know where it stands? Shortly after 9/11 George Bush told us “you are either with us or against us” and the British government stood with him – clarity which the British people did not have an opportunity to accept or reject. Today the waves of sympathy towards the Arab rebels flow and retreat; Obama loses and gains popularity; Ed Miliband is the darling of the peaceniks but a disappointment to the media. Have we managed to see past that crude dualistic position to a more complex, fluid one, that nevertheless feels true to our belief in democracy?

7 When Nye first described hard, soft and smart power we were **living in the context of hard power** being supreme. We could all have opinions but we were powerless in the face of the men with guns and money. Within that context, soft power was seen as a second best, an alternative way for those same men to get their way in the world. Today, in the age of the internet, with massive connectivity between state and non-state actors across the globe, we are living in the context of soft power shaping outcomes at every level. It's less clear what the desired outcomes are and who will deliver them: it's not black and white any more.

8. What then should be the aim of any government? Strength is no longer measured by the ability to physically dominate others but the ability to draw others into your way of thinking and being in the world. As Joseph Nye says, it is not the party with the most weapons but the one able who tells the best story. To that end, working to gain soft power in the form described by Nye 20 years ago – cultural capital – will always be important. That's the garden towards which people are drawn and the space in which they can build relationship. However, in an age of soft power our goals must be broader, deeper, smarter.

9. To stay with the metaphor of the garden for a moment, nectar is only attractive because the bee's survival depends upon finding it. Knowing and understanding other cultures and being able to grasp what would enable a relationship is key. Being able to see the biggest possible picture of the dynamics between them makes international relations and strategy more important than ever. But being able to do all this in 3D, with actors at multiple levels attempting to create new patterns of action and response week by week is more difficult. More than a garden, a nation has to be an event, constantly offering evidence and experiences of how it is growing and developing in response to the rapidly changing needs of the world around it.

10. In this age, soft power will accumulate to those countries who can engage successfully at this frequency: whose relationships, both internal and external are strong but flexible, warm and accommodating. Who have not only the best understanding of how connection happens, but the best skills in turning those connections into relationships.

11. The character of the politicians representing the nation must, above all, be capacious. Emotional and spiritual intelligence have always been required, but a less macho approach, what the Chinese might describe as more yin than yang, will be more successful. There must be a healthy, robust self regard but a ready humility: what some people have mistaken for weakness in Obama will prove over time, to have been smart in the face of the advantage gained by allowing Putin to act.

12. Soft power then, relies on two specific capacities: 1) an active authenticity 2) relationship potential. Think of the most charismatic person you know: not only are they being themselves confidently but they are also able to pay full attention to you. Those two things combined are irresistible: it's no different for countries.

13. A good example here would be Norway, a small country that consistently comes in the top 5 of the soft power tables drawn up by Monocle, or Anholt GFK Roper index on nation brands. Norway has built its international reputation as the home of peace: the Nobel Peace Prize is awarded there each year, tourists visit the Peace Institute and the government actively brokers peace partnerships the world over. When I asked Ambassador **Mona Elisabeth Brøther** about this achievement she described how it arose naturally from the character of the Norwegian people: they dislike and avoid conflict, teach mediation at school and family and relationship is at the heart of their culture.

14. A country can't control its image although it may try: its image arises in the eye of the beholder, from what it is perceived to be doing and being in relationship to that country's own needs. While China promotes its Confucius Institutes, it also censors what can be discussed there: both these actions play a part in how China is viewed in the world, negatively for some. Does that mean China is not hard wired for attraction - no: it means China has not developed an understanding yet of how to form relationships with other countries that allow reciprocity and interdependence while being true to itself – most countries after all, are only somewhere on the journey towards that ideal.

15. Seen from this broad perspective, soft power - rather than describe a very specific commodity - would be an umbrella term that describes a capacity for everything that is not hard power as a means to agency. Under this umbrella we can place all other forms of diplomacy on a continuum which reaches from the most passive expressions of soft power – authentic being, tending the garden – to more active expressions which come ever closer to hard power such as public diplomacy. (For more on this continuum, see <http://softpowernetwork.ning.com/page/softpower-training-education>).

16. Once we acknowledge the bigger picture and the paradigm shift it describes for power and influence both locally and globally, we can also see the many other areas of activity that are part of this group of interests. All aspects of the media (public and private), social networking, aid initiatives, think tanks, NGOs can be added to the sector - currently referred to as culture - that creates a narrative not only about Britain but about the future of our world, not only over the long term but in real time too.

17. More than a specialism, soft power is a mainstream issue representing the biggest opportunities for Britain going into the future: it demands no less than a ministry of its own to

pull together and serve the activities it implies. But note, unlike hard power, this is not a category of interest that can be brought under government control – it is soft, fluid, shape shifting. It can, however, and must be better understood and better harnessed: this is our world, if we don't shape it, someone else will.

A: EXTERNALLY FOCUSED SOFT POWER

A1) Our success in helping to shape the global community and global society

18. In a world of competing interests and influences, who succeeds not only in holding their own ground - ensuring the confidence of their citizens – but also in contributing qualitatively to the emergence of our ever more globalised world in the 21C? It is the countries with most soft power.

19. To be attractive and have influence, a country must develop a way of being in the world which is intelligent at every level – intellectually, emotionally, spiritually – to present an authentic, open, global identity that other countries can understand, engage with and trust. It must develop a clear moral stance on the future and be consistent rather than opportunistic, facing both inwards and outwards.

20. Some of you reading this will think job done: Britain knows where it stands in the world and has no trouble projecting that through its many soft power vehicles – the BBC, British Council, Arts industries etc. And yes, in many ways Britain is well ahead of other countries both small and large and has remarkable stocks of soft power given its size. However, with the diminishing of its hard power capabilities, will that always be the same? There will be no doubt from the majority of those giving evidence to the Select Committee that we have to stop the depletion of our soft power vehicles - BBC, British Council, Film Institute etc - and for that reason I will not make that case here.

21. In this paper I prefer to focus on the power that arises from our story, how we are perceived in the world in terms of our values, moral strength, benignity and to what extent this gives us relationship potential. Is it clear, authentic, confident in the way I describe Norway above? I'm sure the jury will be out on that but let's begin with an assumption that it wishes to be so and likes to believe it has an history of behaving with integrity.

22. Being able to see with a global eye view then is crucial and would reveal many weaknesses that, if courageously addressed, would not only shore up British identity but give it the kind of influence in global society it once had in the global economy. Here is a beginner's list of issues that currently cause distrust because of their inconsistent handling, but could be a great source of soft power if we could tell a better story about them:

- **Immigration:** Britain's past is characterised by its Empire. Today, Britain has become the home of many of the citizens of its former colonies. Yet no British politician can tell a story of how this is consistent with Britain's global-centric identity. Instead, Britain's ambivalence about the value of its immigrants allows the default story to arise – that Britain's interest in the globe was singular and selfish and holds no love of the world and its diversity at core.
- **Weapons of mass destruction:** Britain went to war with Iraq because it

believed Saddam Hussein was hiding WMD. However, Britain itself is hugely invested in the military industrial complex that manufactures weapons of mass destruction, including chemical weapons. It refuses permission to Iran to develop even domestic nuclear capabilities, yet is about to invest another 4billion in replacing Trident. This kind of hypocrisy robs Britain of its influence in developing countries as well as amongst transglobal movements – both terrorist and peaceful.

- **Women:** the British press and politicians appear to take a clear stand on female equality around the world. Yet we are 53rd in the globe in achieving balanced representation in our Parliament or board rooms – that puts us behind Pakistan, Afghanistan, many of the countries whose attitudes to women we challenge.
- **Gap between the rich and poor:** this is a consistent trope in British politics that we fail to address from a narrative viewpoint. In Holland the King and Queen – traditional symbols of privilege - have a clear objective to connect with their people. They ride bikes, have opinions, appear in public without pomp. In contrast, the celebrity nature of our Royal Family both emphasises and makes light of the evidence that the class system is thriving: something more obvious to outsiders than to ourselves. As a result, British politicians are left eulogising about the achievements of European countries whilst suffering the humiliation of continuing to appear low in the list of nations overcoming the gap.
- **Well being:** Britain wants to be a leader in the well being industry - a combination of mental and physical health practices and products. Yet it is the only country in the EU that has opted out of the shorter working weeks policy, thereby ensuring that only the wealthy have a choice to create a good work life balance.

23. These are all cross party issues whose outcome is as much in the hands of the multi media machine as government. However, a better understanding of soft power might encourage more cooperation across the sectors to forge new and more positive narratives in each of these areas rather than expend the same energy on point scoring against each other. Soft power does not arrive from results alone, but from the attention that is being paid to issues in the course of governing.

A2) Our ability to influence outcomes in global conflicts

24. As the current conflict in Syria is demonstrating for us, the public appetite for war has decreased significantly. There are many reasons for this:

- the cost of war: we can't afford to police the world any more
- a leap in awareness of the mental and physical damage wreaked by war on those taking part and their families
- disillusion with results delivered by hard power post Iraq, Afghanistan and to some extent, Egypt
- loss of trust in government and the true motives behind going to war
- globalisation is maturing: once we understood it as the unregulated space that multinationals were taking over. Today we are more aware of the dynamics between competing nations, religions, cultures.
- More of us live global lives – not just through travel, but through the virtual global

community we have constructed as our daily interface

- A growing global centric view: more people sign up to NGOs that fight for pan-global causes such as climate change than sign up for political parties

25. Nevertheless, people – or shall we say voters to give them their influence in government – are still clearly affected by the plight of the victims of war and anxious about power shifts in the globe. In response they are either retreating from engagement for practical reasons or looking for new ways to be influential in the outcome. The million people marching against going to war with Iraq proved pointless. Ten years on social media was able to deliver a more resounding 87% of people polled against going to war with Syria and it made the difference between a motion being carried or lost. Both Miliband and Cameron showed courage in accepting the will of the people over what may have been their own preference to support Obama in the call to strikes. Britain caused the US military to pause and today we are talking about Syria joining the treaty against the use of chemical weapons. In domino fashion, the Presidents of US and Iran are now talking for the first time since 1997.

26. None of this is hard power – it is a demonstration of how the many different elements of soft power combine to get an effect hard power can no longer deliver. Soft power as cultural capital guaranteed Britain's decisions make an impact. It is the direct use of the media, particularly social media, to tell a different story about global dynamics – what the people of one country wants for the people of another - rather than the old school exchange of political stand offs, that is growing exponentially.

27. How conflict is reported is a crucial instrument of Britain's soft power. While the BBC has always believed its own claim that it only reports the facts, no news organisation operates without an agenda although it is often unexamined. I took part in 10 years of investigation and research into how conflict is reported, much of which is now written up and taught by Jake Lynch and Annabel McGoldrick from Sidney University (<http://bit.ly/1aSAQeT>) in countries all over the world. Until recently, reporting global conflict has been very closely allied with reporting war: daily news is framed as moving towards or away from war. Outbreaks of violence, both small and large are reported faithfully while peace initiatives are mostly sidelined. Readers are well informed about the history of conflict but know little or nothing about the history of movements to overcome those conflicts. Framing news is an important aspect of soft power. Because Britain has such an extensive network of news organisations, the active development of a global story about new ways of transforming conflict is in its gift.

A3. Our ability to stay buoyant in a rapidly changing global economy.

28. The rapidly growing ranks of middle-class consumers span a dozen emerging nations, not just the fast-growing BRIC countries,¹ and include almost two billion people, spending a total of \$6.9 trillion annually. Our research suggests that this figure will rise to \$20 trillion during the next decade—about twice the current consumption in the United States.

Despite having strong global brands, multinational companies face challenging competition in emerging markets, as these economies already boast aggressive local players that have captured a significant portion of spending. Chinese beverage maker Hangzhou Wahaha, for example, has built a \$5.2 billion business against global competitors such as Coca-Cola and PepsiCo by targeting

rural areas, filling product gaps that meet local needs, keeping costs low, and appealing to patriotism. **McKinsey & Company 2010** (<http://bit.ly/1bn5ywb>)

29. While there is little doubt that China and the BRIC nations will win the battle for their own markets in delivering the staples, there will always be an appetite for overseas products, particularly as the middle classes grow and wish to distinguish themselves. The bigger picture within which Britain can be a favoured market will depend on its soft power – its capacity for relationship:

- whether or not it can respect and understand the BRIC markets on their own terms rather than as a passive recipient of traditional British goods
- the extent to which Britain can remain culturally distinct. From this point of view a good relationship with Scotland, Ireland, Wales remains important. Britain is a rich and diverse entity: in my view, a break up of the Union would damage Britain's image abroad in a number of ways.
- to what extent Britain welcomes China into the global arena rather than fears it. Britain is not an economic competitor but it does have political and social influence – it should put that to good use helping to encourage China's peaceful emergence
- it is important to challenge the simplistic idea that any country supporting China's peaceful emergence into the global arena, has given up on the fight against their human rights abuses. It is possible to hold both these goals at the same time but it requires a clear narrative – arising from multiple intelligences and some humility - to deliver the complexity of the relationship. These are the very skills that a commitment to soft power can develop and deliver.
- Peer to peer relationships, discovered and grown on the internet, will be crucial to Britain's overseas markets in the future. The British government's investment in technology for British entrepreneurs – particularly smaller businesses delivering information and services – will be crucial.

A4. The freedom and potential of global citizenship – UK citizens abroad and foreign citizens in the UK

30. There are many who look back at the British Empire as a regrettable period of history, others as the scene of our greatest triumphs. Both views are irrelevant in the growing challenge that globalisation is bringing to everyone: it is already important and will increasingly be so that, for the safety and security of your citizens, your country is not considered a threat to others. In contradistinction, if your country has a lot of soft power, your citizens and their business will be welcome everywhere. If you doubt that compare how an Iranian national feels walking in the streets of a Northern British town to how a Brazilian feels.

31. Every country must find its place in the world by creating a narrative that binds the past and present in a way that confidently serves the emerging reality of rapid globalisation. Britain must build on its identity as a global centric nation: having moved out into the world in its past, it has now welcomed the world back into its own borders. There is no other multicultural city as successful as London in the world. We must build on that. It is quite possible that in the future

other countries will not be flocking to Britain for its jobs and services because the call of the East will be much stronger as their markets grow exponentially. It is our task to hold our nerve in this period of transition and continue to build and develop our soft power rather than lose our reputation for fairness and boldness in the interim.

B INTERNALLY FOCUSED SOFT POWER

32. The British people have been in a conversation about Britishness for a long time. We have a good number of discourses – around class, religion, nationality, history, the Royal Family - that divide us, pulling us this way and that. However, when we are faced with an opportunity to present ourselves in a global context – what makes us different from other countries - we can rise to it well. Last year's opening ceremony for the Olympics was outstanding for that reason: not because director Danny Boyle took one side or another, but because he made a virtue of the complexity. Recognising for example, that a struggling NHS is better than no NHS, that we can now own the cruelty of the industrial revolution even as we were grateful for the prosperity it brought was the kind of nuanced message that only the arts can deliver.

33. At a recent conference on Chinese and Indian Soft Power hosted by University of Westminster, Professor Xong Xin, Deputy Director of the Public Communication Research Institute at Renmin University in Beijing presented a study of the messages of the Olympic Opening Ceremony as received and enjoyed by onlookers in China. In order of importance, here is what they saw:

- 1) Britain has a long tradition of creativity
- 2) British humour is central to its character
- 3) British culture is diverse
- 4) The spirit of the Olympic Games
- 5) British historical contributions
- 6) Britain's tradition of humanism
- 7) Britain's tradition of non-conformity
- 8) Britain's global influence

The conference incidentally was remarkable for the quality and depth of the papers on soft power from China and India, both of whom take the subject very seriously. More evidence of this on request.

34. The Opening Ceremony was incredibly well received across the world with (<http://huff.to/Ooz6OI>), many people seeing Britain in quite a new light as a result. Quite remarkably, the effect was equally strong domestically; it transformed what at one point looked like being a lacklustre story about empty hotels and poor ticket availability into an important historic moment when the whole nation pulled together in the excited scramble to get to the park at any cost.

35. What is remarkable however, is that no politician has been able to harness that feel good factor: that no one has directly drawn on Danny Boyle's remarkable feat to present a coherent picture of a powerful nation at ease with itself to itself. Internally Britishness remains a thorny issue, exacerbated now by the challenge of Scottish Independence.

36. The British Council would say that this is the natural domain of artists – however many artists would argue with that. Art is a neutral space: it must be free to criticise as well as to eulogise. Politics does not have the same luxury: while it may be able to absorb the honesty of art and artists, it must always have its own purpose trained on gain for the greatest number. How can politicians develop the capacity to do this well? What are the qualities they need to be able to 'dance with the public' while leading the country and what are the skills and technologies that enable it all?

B1 Ability to represent the people of Britain in a meaningful way

37. What does it say about our democracy that only 32% of people turned out to vote in our most recent local elections? That even in the general elections, the IPPR (<http://www.bbc.co.uk/news/uk-23832607>) estimated that turnout for under-35s earning less than £10,000 a year was just 34%, whereas turnout for over-55s with an income of at least £40,000 a year was 79%. This describes a disconnect between politicians / government and the people they serve. If soft power grows in proportion to authenticity (see Norway illustration above and all references to China) then there is clearly a lot of 'growth potential' in politics.

38. It would not be true to say however, that the British are apathetic: participation in civil society, which includes membership of new social movements, non-governmental organisations and pressure groups concerned with various new areas of public concern, has flourished. (<http://bit.ly/lgyokit>) This is not the place to discuss at length the reasons for this, but it is an important issue for Britain that its ability to have a good collective conversation is poor. A family that cannot have a meaningful chat around the table, will lack confidence in public: the children will not be willing to invite their friends home and the parents will hesitate to talk with pride at social gatherings. Inner doubts radiate outwards as much as inner confidence.

39. Is it time to seriously question the nature of our representation? Should politics reflect the real interests and concerns of its people more? Can a marginal seat, with up to 60% of a constituency not voting for the MP, consider itself representative? Any government that is aware of the ebb and flow of soft power must concern itself with such questions.

B2) Ability to regain and retain influence in the shifting power dynamics 21C

40. In addition to politics needing to engage with civil society more in order to reflect the voters' interests and needs better, government itself must also do more to recognise the paradigmatic shift in how society organises and speaks to itself. In the absence of activists' front room, town halls, party conferences or rallies, where is the conversation happening? – because it would be a mistake to say it is not happening at all. The internet is burgeoning with Facebook, Twitter, Linked In, Pinterest covering all subjects from all points of view; Mumsnet has become so influential in its own right that politicians queue up to be featured.

41. While the two main political parties differ in significant ways, most of the key assumptions that frame the political narrative are common to both. Many of them are outdated for example:

- that a full time job is what everyone wants – not so (<http://bit.ly/l6y8mmn>)
- that voters are selfish so the economy is more important than the planet – not so

(<http://read.bi/I50RcKt>)

- that female equality is a woman's issue – not so (<http://bit.ly/I5yrfWj>)

42. Taking part in the public conversation – rather than trying to manage or manipulate it – will enhance the government's relationship with the voters and ultimately deliver more domestic soft power. This might require more distribution of power within government, even allowing a civil society tier to open up to capture public preferences. Of course this is not the place to discuss that other than to say again, that better relationships within the country will create more confidence – attraction – going outwards.

B3) Ability to do the work of government more effectively than the media or other private initiatives.

43. In a paper titled Communication, Power and Counter-power in the Network Society written in 2007, Manuel Castells, Professor of Communication at the University of Southern California, says the following:

The media have become the social space where power is decided. (This paper) shows the direct link between politics, media politics, the politics of scandal, and the crisis of political legitimacy in a global perspective. It also puts forward the notion that the development of interactive, horizontal networks of communication has induced the rise of a new form of communication, mass self-communication, over the Internet and wireless communication networks. Under these conditions, insurgent politics and social movements are able to intervene more decisively in the new communication space. However, corporate media and mainstream politics have also invested in this new communication space. As a result of these processes, mass media and horizontal communication networks are converging. The net outcome of this evolution is a historical shift of the public sphere from the institutional realm to the new communication space.

44. There will always be a shifting dynamic between politics, mass media and the new horizontal networks of communication. However, since the advent of proactive political PR professionals such as Bernard Ingham and Alistair Campbell – men who are intent on shaping the news on a daily basis – there is a battle for the hearts and minds of British voters that is becoming ever more conspicuous. Whereas not so long ago people would be captive to their chosen news source, today we mix and match our inputs fully aware that none of them are giving us the full picture and some are almost fantastic in their framing of the news. In addition many of us are now mixing in reports picked up from Twitter and Facebook, without checking their veracity. It seems we are as interested in the feel of a report – how much it resonates with our view of the world, or our need to have certain hopes or fears confirmed – as we are with the truth.

45. This is an aspect of soft power that government rarely talks about. How a journalist frames the news to attract the reader is an important form of influence that has social and political outcomes. While some might see this as a subject for the media department, it is my contention that it should be served by the same ministry that considers soft power and government influence at home and abroad. Not, I reiterate, so that government can have more power over people, but so that government can develop more power for and with the people – just as greater understanding of how the body operates benefits both doctor and patient.

46. Government's ability to communicate with the voters is woeful: there simply is no relationship between the rulers and the ruled that is trusted or enjoyed. In the age of infinite forms of communication this is an area of potential all governments should aspire to improve radically.

B4. Make way for a new era of individual and social potential.

47. To recognise the limitations of hard power and be curious in the face of our growing understanding of soft power is all that is required to open the door to a new era of both individual and collective agency. With the benefit of hindsight, we are able to look at the phenomenon of the internet and laugh at how we could not have seen what a difference it was going to make in our lives. Same for every major shift in human agency – from the introduction of electricity to the car. And it will be the same for soft power.

48. Hard power – guns, money, force - has always been concentrated in the hands of the elite. But soft power can be amassed in a million different ways by almost anyone with the ability to communicate. Mohamed Bouazizi did not have his own newspaper – he may not have had his own computer for all we know – but setting fire to himself in a public space changed the course of history in the Middle East. This was not accidental: he knew the power of spectacle in the age of social media, he understood soft power. (<http://bit.ly/vlJRuw>) Now multiply that awareness by any number you like.

49. A more attractive example might be how Uganda's mobile phone revolution is beginning to change the global view not only of their country but of the continent. Now that the African people are able to email, tweet and Facebook images of their growing middle class, challenging the well meaning but disempowering image of Africa as malnourished, dependent and unable to manage, investment is increasing steadily (<http://bit.ly/18v6RYH>)

50. At this moment we are still socially organised in a triangle, with the poor masses at the bottom of a very pointy local and global world. We've heard about the phenomenon of horizontalism – how more people are able to connect side to side rather than up and down and how this is making a difference to businesses. We are just at the beginning of this making a difference in politics, both local and global.

51. This is unlikely to result in an upside down triangle: leadership will always be sought and needed – but it is unlikely to stay the shape it is now. Will it look more like an oval with the leaders balancing precariously on top? Or might it look more like a circle, with leadership in the centre modelling change? The lessons of global soft power suggest that it is the inner qualities of authenticity, integrity and consistency are the most effective tools of influence. Aren't our most popular global leaders – Mandela, Gandhi, Luther-King – individuals that show as much vulnerability as strength?

52. Will Britain embrace this change and be ahead enough of the curve to be able to model its successful transition globally? This House of Lords Select Committee is a good start: it provides more of a cross party space than the House of Commons and traditionally values maturity and perspective over short term gains. Even so, it will be a rare politician that can embody the shift from nation centric to global centric to see that Britain's role as an early adopter of soft power as

a governing principle is as much in the interest of our own islands as it is in the interest of the globe.

17 September 2013

All-Party Parliamentary Group on Global Health – Written evidence

Health and healthcare:

A key asset to the UK's soft power



Summary

Good health is vital to everyone around the world and to all nations, whether economically rich or poor. Its value in terms of global economics, security and development means that those with the knowledge and resources to improve health command a powerful asset and a high degree of influence.

This paper highlights how, as a leader in the science and delivery of healthcare, the UK carries significant influence with governments, businesses and local communities worldwide. Four categories of global influence through healthcare are outlined below:

1. Soft power through intellectual capital and expertise
2. Soft power through partnerships with the NHS
3. Soft power through improving health in developing countries
4. Soft power through roles in international governing bodies

Together, these roles and relationships strengthen the UK's position abroad and create opportunities for influence open to few other nations.

The global perspective

A number of features give the healthcare sector a special status in its potential for soft power and influence:

- **Economics:** Healthcare is a very big business. Most developed countries spend in excess of 10% of their GDP on it every year. This accounts for an annual global total spend of

around US\$6.5 trillion, making health one of the world's largest and fastest growing industries.²

- **Security:** Access to quality healthcare is a vital component in every nation's stability. This is particularly evident in states with rapid economic growth such as India, China and the Arab nations, where better health systems and services are among the first priorities for citizens and governments.
- **Development:** Improving health is one of the most effective and common means of international development. Health interventions are among the most effective and efficient uses of international aid.³ Health is the joint largest area of spending for global aid to Sub-Saharan Africa (18%), alongside projects to improve the governance and enabling environment of developing countries.⁴
- **Conflict:** Access to healthcare is a vital component in the rebuilding of states in or recovering from conflict. Military medicine, control of communicable diseases and health systems strengthening are all areas where the UK boasts a substantial proportion of the world's expertise.

1. Soft power through intellectual capital and expertise

The UK is a world leader in the research, development and discovery of advances in healthcare. Its thriving biomedical science sector is one of the strongest and most productive in the world – spreading new drugs, devices and procedures to patients around the world and contributing an estimated £50bn to the UK economy each year⁵ (or around 9% of total UK exports)⁶. As figures 1 and 2 show, UK research institutions out-perform all but the USA in terms of the amount of biomedical research published each year and the impact these publications have. This dominant share of the world's life science expertise and intellectual capital increases the prestige associated with the UK's scientific community and academic institutions, attracts further investment and talent and creates opportunities for significant political and commercial influence in a sector set to continue transforming health and healthcare over the next century.

² World Health Organisation Global Expenditure Database (figures for 2010)

³ Making Aid Work (2007) Banerjee A; MIT Press

⁴ Official Development Assistance: Data and Guides (2012) Development Initiatives report

⁵ Department for Business Innovation and Skills Office for Life Sciences current estimate

⁶ Office of National Statistics (2009)

Figure 1. UK performance by number of health science articles published⁷

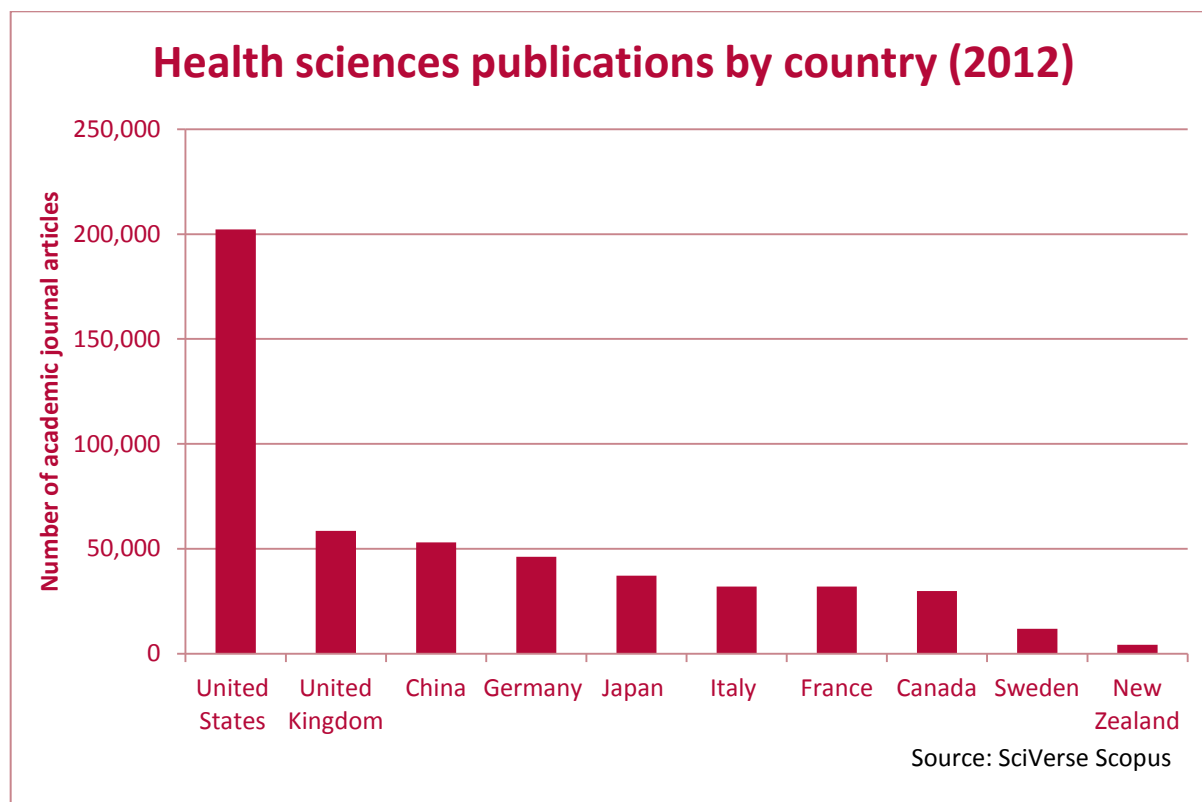
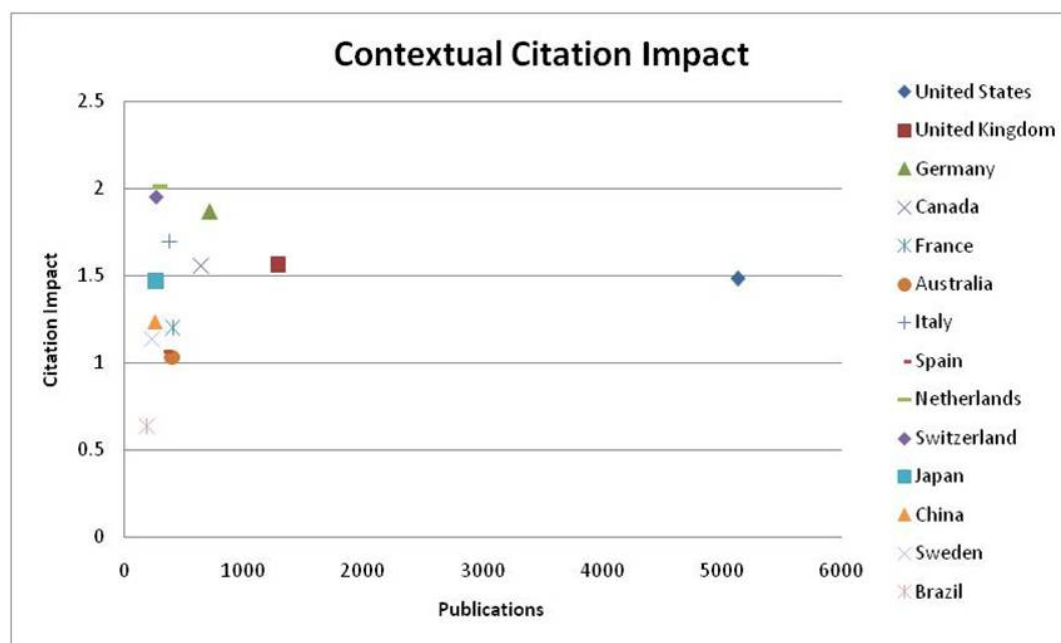


Figure 2. UK performance by impact-weighted articles in biology and medicine (2011)⁸

⁷ Data on 2012 retrieved from SciVerse Scopus August 2013


⁸ *The Most Innovative Countries in Biology and Medicine*; Forbes Magazine (2011)



2. Soft power through partnerships with the NHS

The modern NHS is one of the best performing and most well-regarded health systems in the world. As figure 3 shows, it outperforms most if not all other countries on objective measures of safety, fairness and efficiency. Public perception of its strength also bear this out. As figure 4 shows, the UK health system has the highest public approval rating of any other comparator nation, despite having one of the lowest spending-per-capita rates on healthcare in this group. It is not only esteemed among British patients either – in 2010 alone around 52,000 overseas visitors came to the UK for medical treatment, activity though to have generated around £132 million in private income for healthcare providers.⁹

Figure 3. Rankings of health system performance by country¹⁰

Country Rankings								
	1.00-2.33							
	2.34-4.66							
	4.67-7.00							
OVERALL RANKING (2010)	3	6	4	1	5	2	7	
Quality Care	4	7	5	2	1	3	6	
Effective Care	2	7	6	3	5	1	4	
Safe Care	6	5	3	1	4	2	7	
Coordinated Care	4	5	7	2	1	3	6	
Patient-Centered Care	2	5	3	6	1	7	4	
Access	6.5	5	3	1	4	2	6.5	
Cost-Related Problem	6	3.5	3.5	2	5	1	7	
Timeliness of Care	6	7	2	1	3	4	5	
Efficiency	2	6	5	3	4	1	7	
Equity	4	5	3	1	6	2	7	
Long, Healthy, Productive Lives	1	2	3	4	5	6	7	
Health Expenditures/Capita, 2007	\$3,357	\$3,895	\$3,588	\$3,837*	\$2,454	\$2,992	\$7,290	

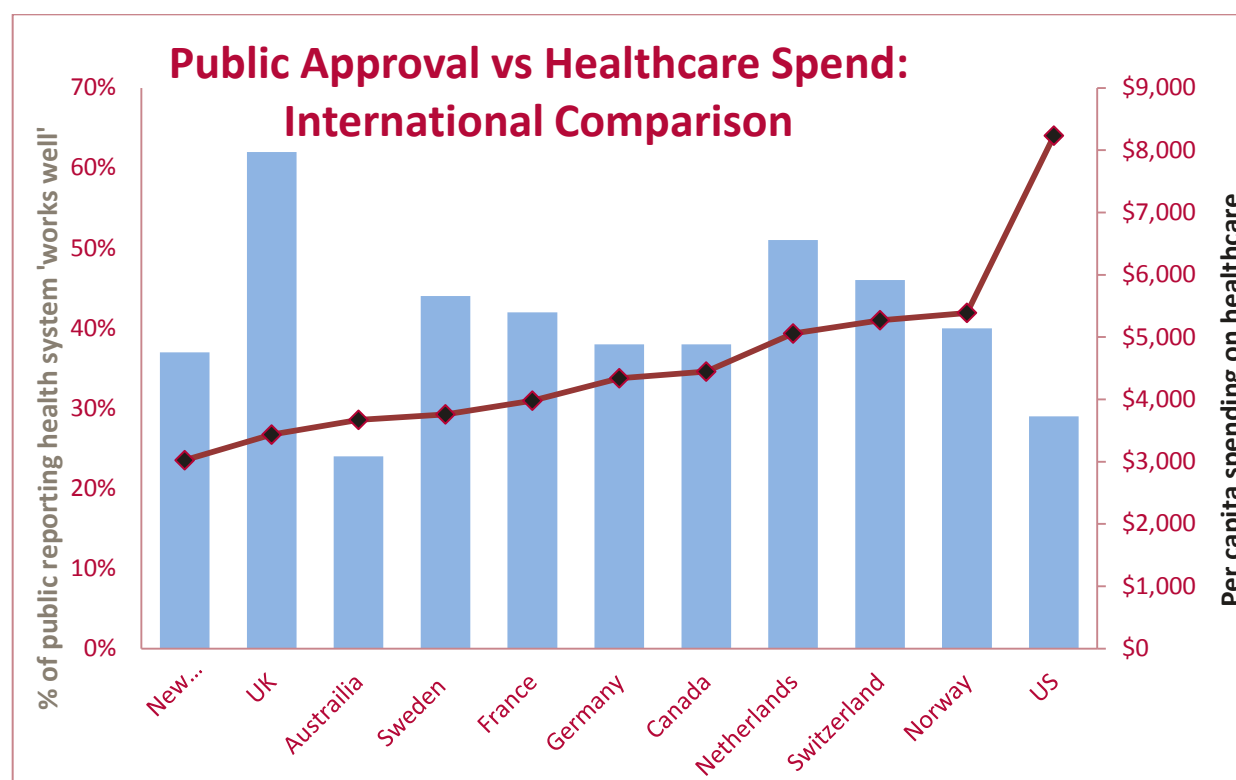
Mannion R, and Exworthy M: *Social Policy & Administration* 47(1): 1-25

¹⁰ International Comparison Data on Health System Performance (2010) Commonwealth Fund

Figure 4. International comparison of public approval rates vs. healthcare spending¹¹
¹²

¹¹ International Profiles of Health Care Systems (2012) *The Commonwealth Fund*

¹² OECD Health Data (2012) *Organisations for Economic Co-operation and Development*



The NHS actively works to foster international links and partnerships – both capitalising on and further increasing the reputation of the service, and the UK, abroad. Two growing trends in this area are not-for-profit schemes with low and middle income countries and revenue-generating commercial ventures overseas.

Not-for-profit partnerships: Over 200 NHS organisations are thought to operate partnerships in low and middle income countries.¹³ These typically involve NHS staff helping to train health workers overseas or directly providing care to patients (for example through visiting 'surgical camps'). In 2010 Department for International Development funded two successful schemes to connect NHS organisations and staff with partners overseas. The first, the 'Health Partnerships Scheme', will by 2015 have resulted in NHS staff spending 50,000 days working abroad training some 13,000 health workers. The second scheme, 'Making it Happen', will over four years have trained 17,000 health workers and is expected to save the lives of more than 9,500 mothers and 10,000 newborn children.

These partnerships foster valuable relationships at the governmental, institutional, community and individual level. In a recent study of overseas partnerships by the APPG on Global Health, NHS organisations reported that their overseas links brought back important benefits for them in terms of international reputation, leadership development and innovation, as well as meeting critical health needs in their partner country.¹⁴

These NHS partnerships form part of a much wider movement of community-community links between the UK and developing countries. Although many are not specifically health related,

¹³ Tropical Health and Education Trust data

¹⁴ Improving Health at Home and Abroad: How overseas volunteering from the NHS benefits the UK and the world (2013) All Party Parliamentary Group on Global Health

these partnerships are an important part of the grass-roots relationships and influence held by the UK. Officers of the APPG on Global Health are involved in several types of initiative that may be of interest to the Select Committee:

- Lord Crisp co-founded the Zambia Health Workforce Alliance to bring together the many UK-based organisations with health links to Zambia. The alliance aims to provide a focal point for the Zambian host government so that joint work is less fragmented and better aligned to the country's national priorities
- APPG Vice Chair Kevin Barron MP established the APPG on Connecting Communities, which specifically focuses on the issue of linking communities in the UK with low income countries for the purposes of development.

Commercial ventures: There is also growing interest within the NHS to capitalise on higher-income countries that look to the UK health system as a model. These initiatives can spread British ideas and influence abroad, further enhance the reputation of the UK and NHS brands and earn additional revenue to be spent on health services back home.

One example of this activity is Moorfield's Eye Hospital, which in 2007 established a branch in Dubai's 'Healthcare City'. Since then it has treated over 26,000 patients, with steadily growing profits currently at £390,000 in 2012/13.¹⁵

An example at a national level is the National Institute for Health and Care Excellence (NICE), which in response to growing interest in its resource allocation model and clinical guidelines founded an international department to spread these ideas abroad. The department provides advice to foreign institutions and governments on clinical and policy decisions. They have completed dozens of projects in almost every continent, including ongoing partnerships with emerging economies such as India and China.¹⁶

The Government has recently established *Healthcare UK*, a joint initiative by the Department of Health and UK Trade and Industry to help expand and accelerate commercial partnerships between the UK health sector and partners overseas. Further examples of ongoing and planned ventures can be found on their website.¹⁷

3. Soft power through improving health in developing countries

The UK is the world's second largest donor of overseas development assistance to low and middle income countries (figure 5). As figure 6 shows, national spending on international development will, this year, reach its target of 0.7% of Gross National Income, doubling the proportion that was spent in 2007.

¹⁵ Data from freedom of Information request: https://www.whatdotheyknow.com/request/international_business_2

¹⁶ <http://www.nice.org.uk/aboutnice/niceinternational/projects/NICEInternationalProjects.jsp> (accessed 21/8/13)

¹⁷ <http://www.ukti.gov.uk/export/sectors/lifesciences/item/429220.html> (accessed 21/8/13)

Figure 5. Total overseas development assistance contribution by country¹⁸

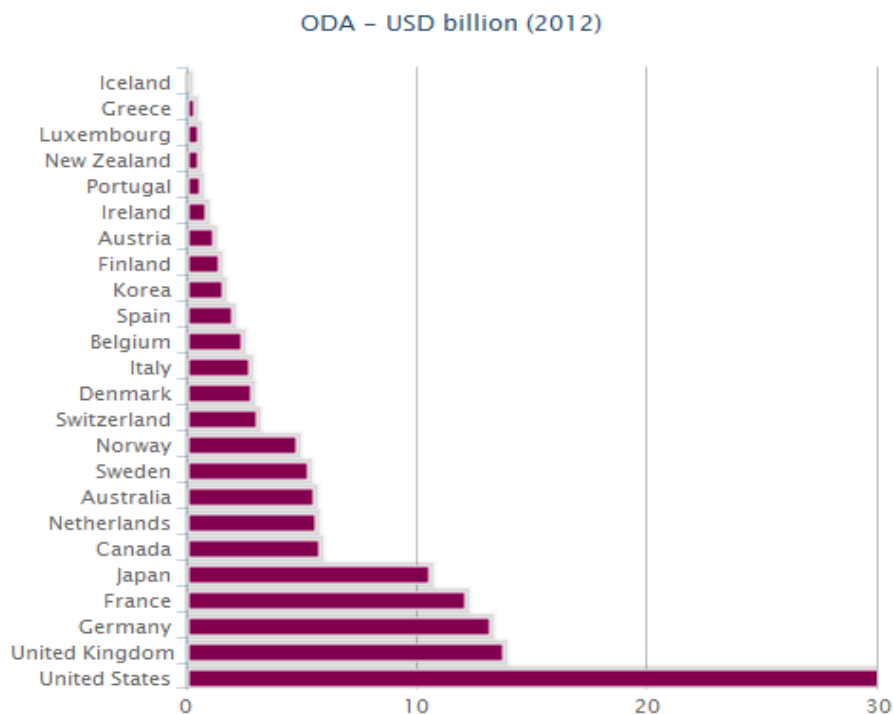
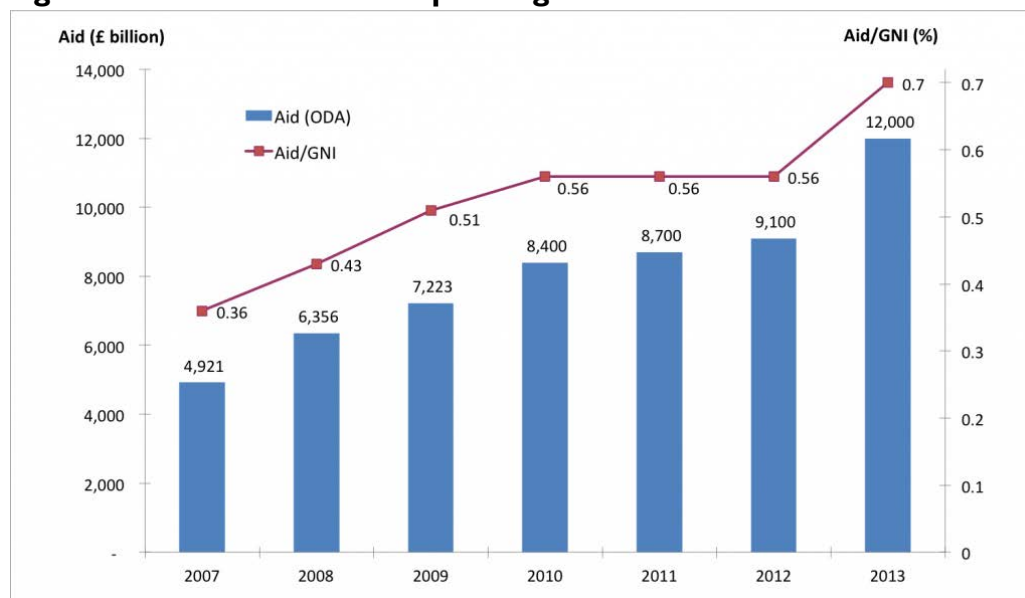


Figure 6. Growth in UK aid spending 2007-2013¹⁹



¹⁸ Official statistics on Overseas Development Assistance; Organisation for Economic Cooperation and Development <http://www.oecd.org/dac/stats/aidtopoorcountrieslipsfurtherasgovernmentstightenbudgets.htm> (accessed 21/8/13)

¹⁹ Development Policy Blog, using figures from Department for International Development <http://devpolicy.org/uk-aid-will-it-hit-0-7-next-year/> (accessed 21/8/13)

Health projects account for around 18% of spending by the Department for International Development (DFID), second only to that given towards government and civil society organisations.²⁰ Typical health projects include vaccination programmes, improving access to clean water and sanitation, providing new health facilities and training staff.

DFID is also a major investor in research to improve health in developing countries, including work that is now contributing to successes in the control of HIV/AIDS. Ongoing studies include establishing the evidence base for effective public health interventions in humanitarian crises and large-scale trials into TB vaccines.

The leading role played by the UK in international development not only gains it influence with recipient countries, many of whom are now rapidly growing into major economic players for the 21st century, but also standing among all. One recent example of this was the invitation by the UN for the Prime Minister to act as one of three co-chairs for the High Level Panel to determine the global goals that will replace the Millennium Development Goals from 2015 onwards.²¹

4. Soft power through roles in international governing bodies

The UK's presence and prominence in international organisations is a key part of its soft power and influence internationally. The strengths in health science, delivery and development outlined in the sections above all help to support these roles – and there are various examples of the UK influencing on, but also being able to influence through, global health issues.

The UK is a member and major funder of the World Health Organisation (WHO). It plays a leading role on several issues, including global responses to pandemics and emerging infections such as Swine Flu and the recent novel Coronavirus. Several UK figures have also been invited into positions of significant influence at the WHO, including:

- In 2005 Sir Michael Marmot was made the Chair of the WHO Commission on Social Determinants of Health.
- In 2006 His Royal Highness, Prince Charles addressed the main assembly of the WHO on the achievements of modern medicine.
- In 2011 Sir Liam Donaldson was made WHO Envoy for Patient Safety, responsible for promoting the issue of patient safety as a global health priority.
- The current Chief Medical Officer Dame Sally Davies is a member of the WHO Advisory Committee on Health Research.

Health also contributes to the UK's position in non-health international governing bodies, examples include:

- Having a key role in the development and introduction of the UN Millennium Development Goals in 2000, which have led to significant improvements in health worldwide.
- Leading the EU's pandemic preparedness during our 2005 presidency.
- The recent Hunger Summit called by David Cameron alongside the 2013 G8 meeting in Northern Ireland, where the UK pledged an additional £375 million of core funding and

²⁰ The IFS Green Budget 2012; Institute for Fiscal Studies p155

²¹ A new global partnership: Eradicate poverty and transform economies through sustainable development. Report of the High Level Panel of Eminent Persons on the Post 2015 Development Agenda (2013) United Nations

£280 million of matched funding to fight hunger, donations pledged by all delegates as a result of this summit totalled £2.7 billion between now and 2020.

About the APPG on Global Health

The APPG on Global Health focuses on the underlying, cross-cutting health issues which affect us all wherever we live.

Through research and regular events, it offers recommendations and advice to Parliament and the Government on key policies impacting health in the UK and overseas.

The Group is led by its members, co-chaired by Lord Crisp and Meg Hillier MP and supported by academic institutions, the Lancet and the Bill and Melinda Gates Foundation. Together, these allow us to connect the interest, impact and knowledge of parliamentarians with the expertise and experience of the wider global health community.

6 September 2013

Professor Simon Anholt – Written evidence

The UK is unusually rich in ‘soft’ power: the content, and the instruments for delivering it. There is no need for me to list them here, as the enquiry will have produced abundant evidence of these riches.

Of course, every such instrument has two functions: an *intrinsic function* (the World Service provides news; museums collect and curate; universities teach and research) and an *incidental function* (they also convey our talents and values to people in other countries, and thus increase our moral or ‘soft’ power). How well their intrinsic function operates is incidental to this discussion: one assumes that if they don’t perform it well, they won’t stay in business very long.

How well their incidental function operates has a lot to do with Government. None of these players can achieve a great deal on their own, because the world is too big and too busy, and because most people don’t think much about the UK or any other foreign country. The only way that ‘soft’ power can become an effective force is if these instruments, instead of being just left lying around the place as they habitually are in this country, are inspired and informed by a shared, long-term, national strategy. Achieving this without jeopardising their independence and integrity is of course a tricky business, but one can rely on the owners and managers of the soft power instruments to monitor this risk.

Such a grand strategy is what the United Kingdom lacks. Its absence is the reason why our instruments of soft power do so very well on their own account yet achieve only a small part of what they *could* achieve for the country and its standing, if only they were really working together. The MARSS model (described in a separate paper) shows that the most dependably attractive focus for any national strategy is a moral one: the aim is to prove the *utility* of the country to humanity and to the planet, rather than brag about its assets or achievements (which, in the case of the UK, are sufficiently appreciated that further bragging is more likely to annoy than impress). To put it simply, people in other countries are much more interested in what the UK can do for *them* than in what it manages to do for itself.

I’ve spent the last fifteen years teaching countries how to corral their soft and hard powers around a shared, national, grand strategy, so that their impacts can be combined and thus multiplied. This is the task which the UK has failed to seize or even to acknowledge in living memory, despite the fact that becoming a paragon of soft power is our country’s only remaining strategic option.

The **first stage** is a complete review of all the country’s instruments of international engagement: both those controlled by government and those beyond its influence. The **second stage** is a well-guided national conversation leading to a grand strategy: a strategy which attempts to answer the apparently simple but desperately important question, *what is the UK for?* The **third stage** is to corral our instruments of engagement around the execution of this strategy, in order to produce an unbroken, unending stream of dramatic evidence that we deserve the standing we desire: this must be done with unfailing courage and imagination. The **fourth stage** is to measure

how well we are doing this. The **fifth stage**, having taken the learnings of the fourth well into account, is to carry on forever.

The risk of this process being interrupted by changes of government is so great – for these things take decades and generations to achieve – that the creation of a cross-sectoral, public-private body to manage the task and maintain both quality and momentum will probably be essential.

September 2013

Professor Simon Anholt, Jonathan McClory and Agnès Poirier – Oral evidence (QQ 200-217)

Evidence Session No. 12

Heard in Public

Questions 200 - 217

MONDAY 28 OCTOBER 2013

Members present

Lord Howell of Guildford (Chairman)

Lord Forsyth of Drumlean

Lord Foulkes of Cumnock

Baroness Goudie

Lord Hodgson of Astley Abbotts

Lord Janvrin

Baroness Nicholson of Winterbourne

Examination of Witnesses

Simon Anholt, policy advisor and author of the Anholt-GfK Roper Nation Brands Index, **Jonathan McClory**, policy and place branding consultant, author of the IfG-Monocle Soft Power Index, and **Agnès Poirier**, commentator on politics and French-British relations

Q200 The Chairman: We are delighted that our witnesses could join us today in our inquiries and construction of a report to government on soft power and British overseas influence. Thank you very much for coming. There are in front of you the necessary declarations of interests, which we are obliged to put before you to tell you who we are. We are going to conduct this session between the whole Committee and all three witnesses, but I think I am right in saying that Agnès Poirier wanted to make a little opening statement first. Is that correct? In fact, you could all make opening statements if you so wished, but as you have asked first, Agnès Poirier, you will go first.

Agnès Poirier: Very good, but we have just discussed it and my neighbours here have not prepared a statement as such. It is really up to you.

Simon Anholt: I am very happy to improvise a statement if Jonathan does not mind either.

Agnès Poirier: I will keep it brief. I grew up in a country, France, where soft power—or, rather, as we once called it, grandeur—

The Chairman: Grandeur?

Agnès Poirier: I think you can use that word. We talk about soft power, but you and I used to talk about grandeur. It is an ordinary, everyday ambition, I think. Influencing others, shaping thoughts and leading the way in arts, fashion, gastronomy and foreign policy is at least in theory

always the aim in France. You want to share your views with the world, and you hope that the world will then adopt your views. I think that is why France and the USA have a lot in common.

I will give just one example. France has the world's second largest diplomatic network, second only to that of the United States. So why am I talking to you about France, or indeed the US, when our topic is the UK's soft power and influence in the world? Perhaps it is because we do most things in opposite ways and perhaps we have a lot to learn from each other. British soft power is evident and huge, and along with another 300,000 or so of my compatriots I succumbed to British soft power as a student in the mid-1990s when I decided to come to London.

Soft power is about powerful images and potent feelings that one associates with one country or one culture. At the time, having studied English, Russian and Spanish, I could have chosen those three countries to finish my studies in. If I chose Britain it was not only down to the practicality of Eurostar; it had to do with powerful icons. This might surprise you, because I was a 22 year-old student, but I chose Britain in no specific order because of Shakespeare, Cadbury chocolates, the blitz, the BBC, because I was and still am a raving cinephile, Rex Harrison, George Sanders, Laurence Olivier and James Mason—all born before 1910; I was born in the 1970s. I also chose London because a young Labour Prime Minister was about to end 18 years of Conservatism, while back in France Jacques Chirac had just been elected to what felt to me to be seven very long years.

I will end here, except to say that 17 years later I am still here and I can fairly say that Britain, as much as France, has shaped who I am. This is, I think, a personal introduction to the UK's influence in the world.

Q201 The Chairman: Thank you very much indeed. I should have put the first question more clearly to start with, and I will ask your neighbours either side of you to make the same sort of comment on it. What do other countries—we have just heard one example—find attractive about the UK, and maybe on the other side what do they find less attractive, and unattractive, about the UK, because we as a Committee will need to suggest to the Government that they may be pressing many buttons to promote soft power but perhaps are not pressing the right ones or perhaps are not pressing them hard enough. That all fits in with what you have just said. Thank you very much. Mr McClory, would you like to go next?

Jonathan McClory: To address the question just asked?

The Chairman: To start with, yes.

Jonathan McClory: Simon will probably be able to say in much greater detail what things people find attractive, because he has done a great deal of work in testing exactly what people find attractive about countries. The work that I have done looks more at the resources that allow countries to engage with international audiences and that ultimately will have some positive impact on how people see a country. I think it is worth highlighting that those resources are what goes into making the soft power of a country, and they start with the political values of a country such as free speech and a free press but also with the institutions that uphold those values. Right now, we are sitting in the mother of all Parliaments, so this very building is a form of soft power resource. Then there is the culture of a country, from high culture to pop culture—so everything from the British Museum to Old Trafford through to the English language all the way to Harry Potter.

The other pillar that Joseph Nye identifies is foreign policy. This is not necessarily just about how a country acts, which is very important, but about the diplomatic infrastructure. The UK has tremendous resources in that, with the British Council, the Foreign Office and the very strong networks which the UK is part of—from the UN Security Council to the European Union to the Commonwealth—as well as the BBC World Service.

Education is a huge strength of the UK and an important part of soft power. It is not only the ability to attract international students but the quality of universities, as well as the quality of the academic output, of a country.

Finally—this can almost drift into the world of hard power but I assure you it is not—is the attractiveness of a country's economic model: its capacity for innovation, its friendliness to business, the quality of its regulations and the extent to which corruption exists. These five categories really cover what makes for soft power resources. It is very important that we have a structured way to think about this. I have listened to people answer the question: what is it that is attractive about a country? It can go all over the place, but it is a fairly difficult concept to pin down at times and if we can add some sensible structure to it it becomes much more useful for policymakers to get to grips with and ultimately to try to use.

The Chairman: I would love to pursue all sorts of questions from that, but shall we just ask Professor Anholt to make an entrée to the issue?

Simon Anholt: Yes. I think it is worth asking why we are discussing soft power today. We do not often discuss hard power, because we are reasonably familiar with it as a topic. Soft power is a relatively new idea, and it is worth asking why it is new, where it has come from, why it has suddenly appeared. The reason is because in the past only hard power really mattered, because the only interactions between states that mattered were the interactions of statecraft. Hard power is a tool of statecraft; it is the currency that states use between each other. Soft power is a currency that comes into being, becomes necessary, when populations have to engage with each other. As a result of the spread of democracy in more and more countries, people power means that soft power becomes necessary; you cannot very easily wield hard power on populations except by invading them, and that does not always achieve the result that you want. It is good that we are talking about soft power, because it means that the world is a more civilised place than it was before soft power became necessary.

Having said all that, I have never been entirely happy with the term “soft power”. It seems to me to be quite a primitive term, and in some respects I object to both parts of it. I object to the idea of “soft” because that makes it sound pathetic, and when we talk about the BBC World Service or about culture more broadly there is nothing soft about that, and “power” suggests that it is an instrument for getting your own way. The moment you start talking about using soft power as an instrument for getting your own way, it fails, because people immediately realise that you are using it in order to get your own way. So I object to “soft” and I object to “power”; it makes the whole thing sound like a pillow fight, and it does not really get us anywhere at all.

I am very interested in the idea of moral power. It sounds agreeably old fashioned, but there is a reason why I like the idea of moral power. I have been researching for nearly 10 years now the way in which people around the world perceive other nations in a survey called the Nation Brands Index, which every year since 2005 I have used to poll a sample equivalent to about 66% of the world's population—ordinary people in up to 38 countries—on their perceptions of 50 other countries. To cut a very long story very short, I have now collected 164 billion datapoints

about what people think about other countries and why. The answer is that there are two categories of country. There are the categories that are already famous, such as Britain, America and China, which come with their image and their attractiveness or otherwise formed by their history and by their past engagements with other countries. Whether they are good or bad, beautiful or ugly, they have images, a reputation. Of the remaining 192-odd countries, the ones that have a good image have an image because they are good. Moral power is the strongest determinant of an overall positive reputation. This is extraordinarily good news. If anybody wants to challenge me on this—I would not be at all surprised if you did—I would be very happy to respond, but in the meantime you might just want to take my word for it: people like good countries.

The Chairman: Right. That is a very good starting point. I do not know whether any of my colleagues would like to come in with questions.

Q202 Lord Forsyth of Drumlean: I would just like to ask this. You do not like “soft power”. You said moral power, but you rubbished power for very good reasons, so what do you think it should be?

The Chairman: What are we talking about?

Simon Anholt: The model that I started developing about two years ago is called the MARSS model. You have to have an acronym otherwise nobody pays any attention. It is a bit more complex than soft and hard. M is morality: the perception that a country is good or bad, whatever that means for the subject in question. A is aesthetics: whether a country is perceived to be good looking or not. Because we are human beings we tend to see things visually; we have a picture postcard in our mind of what we imagine other countries are like—beautiful or ugly. R is relevance: does the country have any impact, any influence, to actually change my life, or does it not? The first S is sophistication: do I regard this other country as being a modern, technologically advanced country or do they still plough the fields with oxen. The last S is strong: the equivalent of the soft and hard power dimension. Is it a country with power—economic, military, territorial, population and so forth?

So rather than just the two-dimensional model of hard power or soft power, my model looks at those five dimensions which, based on the research, appear to be the ways in which people all over the world instinctively in their minds categorise and assess other countries. As I say, the moral dimension appears to be the most significant of the five.

Q203 Lord Foulkes of Cumnock: That is really fascinating, and there are thousands of questions to ask about that, but the one I want to ask is this. You are measuring people’s perceptions. We are particularly interested in how they come to those perceptions. In other words, what are we doing that creates the right perceptions? What are we doing that creates the wrong perception? Rather than just measuring the effects of it, can you identify the causes?

Simon Anholt: In a word, it is a great many things over a very long period. It is ultimately to do with the amount of engagement that a country has with another country. One of the reasons why the United Kingdom has an extraordinarily powerful and positive image—in my survey, it is invariably one of the top three most admired countries on the planet—is simply the extent of our reach: the number of engagements that we have with many, many hundreds of millions of people all over the world over many, many generations. To know someone is to love them, and the curious thing is that even if our relationship with one or another country might not have been happy in the past, after a generation or two people seem to forget the nature of the relationship

and all they remember is that they know us. The Indians, for example, would have every good reason to curse our memory but they do not. They remember that they know us and they think that they like us. It is a million different things over an extraordinarily long period. The biggest problem that I have in my day job, which is advising Presidents and Prime Ministers on this kind of stuff, is patience. They are simply not in office long enough to have any influence over these effects, which tend to be over decades and generations. One of the things that my survey has proved beyond doubt is that none of us likes to change our mind about countries, and we will resist changing our minds about countries even after the evidence becomes overwhelmingly that we ought to.

Lord Foulkes of Cumnock: Why do we always do so badly in the Eurovision song contest?

Simon Anholt: Jonathan?

Jonathan McClory: I have already named the five major categories of metrics that go into creating the soft power index that I compile. One of those metrics covers the global music industry and using data that are very helpfully provided by—the International Federation of the Phonographic Industry, which represents the global recording industry – it has a great deal of data on countries and their respective music markets. The UK has more top five albums in foreign countries for which there are data than all other countries put together. So to answer your question, the UK has a phenomenal heritage of creating music and selling it and is a global success, in many ways head and shoulders above others. The US might argue otherwise, but the UK is at the top, certainly.

Simon Anholt: The Eurovision song contest is about bad music, and that is why the UK does not do well.

Jonathan McClory: Exactly. We do not need the Eurovision song contest, because the actual music that the UK makes does very, very well indeed.

Lord Forsyth of Drumlean: There is a serious point behind the question. It is nothing to do with music; it is about people ganging up and forming alliances. So you have not really answered Lord Foulkes's question.

Jonathan McClory: I think you see that with a few countries. You do not see it with all. Yes, Cyprus will always give 12 points to Greece and vice versa.

Lord Forsyth of Drumlean: I dare say I am getting out of my depth now.

Jonathan McClory: If we look at some of the noises that are being made politically about wanting to be in a club, it sounds as though Britain does not really want to be part of the Eurovision club anyway: hence, perhaps, it does not get too many points.

Q204 The Chairman: Perhaps we could move away from that particular point, although it seems vital. Indeed, the whole impact of our creative arts generally and our image in the world are important and, we hope, are now securing our prosperity and interests. At one end of the spectrum there is old fashioned hard power, or new fashioned hard power: lobbing missiles. It used to be gunboats and boots on the ground. Some countries have that capacity, including this one to some extent, America obviously to a vastly greater extent, France to a considerable extent. Other countries are much more reluctant even to contemplate hard power methods. Are they related? Are one's image, power of persuasion and getting other countries to make one feel attractive and beloved, as it were, connected with the fact that behind you you have a very big

stick? Do hard power and soft power go together, and if you separate them do they fall apart? That proposition has been put to us in evidence quite strongly.

Simon Anholt: My own view is that they are really rather separate creatures. I think that one has to go to the end of the argument and ask what we are hoping to achieve by the exercise of these powers. What do we actually want? Do we want more trade? Do we want economic prosperity? Do we want to engage more productively with other countries? If that is the end of the argument, I would argue that a different kind of hard power from the military is probably essential, and that is a combination of economic, commercial and population power: in other words, the combination of a large number of people, a large number of companies, a lot of money and a lot of experience that enables that country to expand itself commercially widely around the world. The United Kingdom has this commercial hard power to a great degree. Our businesses operate all over the world, our business people operate all over the world, our products are sold all over the world, and products from all over the world are bought and sold here. Through that process, we have many, many engagements. Millions of people every day have an opportunity to engage with the United Kingdom in one way or another. That is our commercial hard power. If we did not have Trident, I do not think it would make any difference at all to that. The hard power I am talking about is economic and commercial. If the ultimate aim is to sell more stuff and to make more money, I do not think that military hard power is all that important. Military hard power is very important in order not to get yourself pushed into a situation where you cannot even trade. I am not saying that military power is unimportant; I am saying that it does not produce soft power as a direct consequence. It is not the sine qua non of soft power either.

The Chairman: I suppose I am saying that in history if we got into major trade disputes, as we have many times—our goods were halted or chucked in the sea at the Boston tea party—and if there was a gross offence to our commercial interests, in history our response has been, “Very well, send in the troops”. If our country has decided that it will never use that kind of military deployment, are its threats and negotiating powers greatly weakened? I think you have just hinted in what you said that you think they might be.

Simon Anholt: I rather thought I was saying that they are not greatly weakened. I think there is every cause for celebration that we live in an age when the use of military power in those circumstances is no longer really approved of, not even really tolerated. We are after all a member of the European Union, and long may we remain so. In Europe, it is regarded as not done to wave military power around in order to achieve commercial or political aims. That is the model for global collaboration, and as time passes I hope—I would like to think—that military power will become less and less an instrument of achieving one’s aims and more and more a backstop. In other words, it is about that word “defence”, which we have used for a very long time, and nothing much more than that.

Q205 Lord Forsyth of Drumlean: Given your earlier remarks about the regard in which Britain is held around the world and the networks that we have, such as the Commonwealth, why, if you are right about promoting commercial interests, have we been so unsuccessful in penetrating markets outside the European Union and the US?

Simon Anholt: Have we been unsuccessful?

Lord Forsyth of Drumlean: Half our exports go to the European Union. If we are looking at a global marketplace, and if we have this fantastic image around the world and we are in the top three countries, and if we have businessmen who operate and are used to operating

internationally, why have we not been more successful in grabbing a broader share of world trade? I do not know whether it is true, but I read it in the newspaper so it must be, that China does more trade with Switzerland than with us, for example.

Simon Anholt: Two things can be said in response to that. First, it is certainly true that our reputation is best in the countries where we are historically best known. I am glad you mentioned the Commonwealth. One of the dynamics that is absolutely clear from my survey is that being a member of the Commonwealth is an enormous advantage from this point of view. The Commonwealth countries know each other and trust each other to a remarkable degree. In a country such as China, tens of millions of children grow up every year hardly being taught any European history at all and not really knowing very much about the United Kingdom. In one sense when we talk about China, all this means is that “branding”, to use that awful term, still has to be done because we are simply not very familiar to the Chinese. To educated Chinese we exist in a rather superficial way. To the vast majority of Chinese we are just another country in Europe, if that. So the task of introducing ourselves to the countries with which we are not historically associated still needs to be performed. That is a very good reason for us not to rest on our laurels. It is one of the reasons why hosting the Olympics in 2012 was certainly a good thing for us to do, but one of the things my survey showed was that it did not actually improve Britain’s reputation internationally because our reputation was already just about as good as it could be. I do not really see how the Olympics could have caused us to be even temporarily more highly regarded than the United States. But, as I often say, a reputation is not something you own but something you rent, and that rent must continue to be paid. By carrying out operations such as the Olympics fairly regularly, we pay our rent and we teach emerging populations outside the Commonwealth that Britain is a rather special place and they should know something about it. So that is one answer to the question.

I think perhaps the other answer to the question is that we in this country have never been very good at marshalling our soft power. We have a lot of it, and I am sure that during the process of this inquiry you have seen abundant evidence of how much soft power we enjoy in this country. We are very lucky. But when I compare the UK with the 52 or 53 other countries I have advised over the last 15 years on these matters, we are by no means leading the pack in the way we marshal, corral and strategise for soft power. We tend to let the academic sector, the sporting sector, the private sector—all those other players in soft power—do their own thing. They do it very well, but it is nothing to the power that a country could have if the thing were better managed, if there were a common national strategy that said, “This is what Britain is for. This is our purpose in the world”.

The Chairman: I would like to bring Mr McClory in, starting with whether hard power has to go with soft power but going on to the very point that Mr Anholt has just made about whether we need a declared strategy.

Jonathan McClory: If we are talking about hard power as both military power and economic power, then yes, it is a prerequisite. On the military power side, no it is not. Russia, Saudi Arabia and India are third, seventh and eighth respectively in the world for military budgets. I have seen no index, not Simon’s, mine or any other that exists, that would put Russia, Saudi Arabia and India in the top 10 for country reputation or soft power. Having said that, a country has to be economically successful and sophisticated. It has to have the infrastructure, certainly diplomatic, economically or otherwise, to be able to engage with international audiences. In a sense, if a country is not successful economically, which we could classify as hard power, then no, they will

not have soft power; they simply will not have the ability to engage. You have to be good to be liked, so you need to be a successful country.

Could you remind me of the second question?

The Chairman: We are opening it out into the broader question: should Governments have a strategy? But I know that Lord Foulkes wants to come in, and I want to ask Mademoiselle Poirier whether France believes that there is some strategic idea of soft power that it has developed. Lord Foulkes, did you want to ask a question first on the previous item?

Q206 Lord Foulkes of Cumnock: I was getting slightly worried that we were getting carried away again with thinking how wonderful we are. That is not my experience. I do not travel as much as I used to, but I used to be berated regularly about the Iraq war, how disgraceful it was and how we should not have done it, and they are still doing it. I was at a Commonwealth Parliamentary Association conference recently, and the Members of Parliament from other countries said, “You are always lecturing us about morality and democracy”. We had a major division about gay rights, and they said, “You are lecturing us now, but we do not like gay people now because you taught us this a hundred years ago when you ran the country for us”. Is this just the MPs and the leaders of other countries, rather than the people in other countries, who are critical and worried about what we are doing?

Simon Anholt: I certainly think there is always a big difference in the response that one gets when one talks to elites and when one talks to ministers. My survey very deliberately talks to ordinary populations, who do not tend to bother themselves very much or for very long about these kinds of issues. One of the great advantages of soft power, in particular cultural relations, is that it achieves this marvellous effect that people feel that they know you. As a consequence, while they can occasionally hate the things that you do, they cannot quite hate you. This is one of the things that we found over and over again in my research. For example, where the British Council is particularly active, people can get very annoyed with us and the things that we do—what looks to them like our constant interference—but it does not make them hate us, because they still feel that fundamentally we are okay.

Lord Foulkes of Cumnock: The other thing is language. We were talking earlier about the fact that one of our great advantages is the English language, because so many people now speak it. Is that not also a disadvantage in that we do not learn other languages? We heard that Agnès speaks Russian as well as Spanish, English and French. Is it not the case that, for the typical Brit, if someone does not understand us, we just speak louder in English? Does that not create some difficulties? Is this dominance of English not a double-edged sword?

Jonathan McClory: To go back to your first question, different places will react differently to what the UK is and what it does. Famously, Joseph Nye said that what attracts in Paris might repel in Riyadh. You always have to keep that in mind. The marriage equality Act was going to go down well with a lot of countries, but it was not going to go down so well with some. That is just a fact of the way this all works. In terms of the English language, it is really a question for our education system. Nobody would want to—I certainly would not want to—trade the advantages that the UK and the entire Anglophone world have with English as our native language and essentially the global lingua franca. That is a fantastic thing to have, but it does not mean that we should not be learning other languages. That is probably something for the education system. Perhaps it puts the FCO at a disadvantage, as many of our diplomats have to start learning languages at a much later

age, when, as we know, it becomes harder to learn languages. But I would not consider it a disadvantage—it is certainly not something that we could not try to mitigate.

Simon Anholt: It is certainly not a good excuse for not teaching languages properly at schools.

Q207 The Chairman: I want to ask Agnès Poirier whether she feels from her experience that her country discusses these matters in terms of a French governmental, national strategy for promoting la France. This is perhaps rather controversial, but has it sharpened by any degree that sense of rivalry across the Channel and the remembrance of old epithets attached to this country such as “perfide”?

Agnès Poirier: Yes, it dates back a very long time. I would like to go back to different things before answering your question. First, Simon, you said that soft power is very recent. It seems to me that it is as old as hard power. I would argue that in history at least—even though now it is slightly different—the two went hand in hand together. Let us go back to the Renaissance, for instance. I am thinking of the first French king of soft power—François I. He was waging wars in Europe but at the same time he invented—at least in France—the patronage of arts and even managed to lure Leonardo da Vinci and the “Mona Lisa” to France. Perhaps we owe to him the fact that Paris and France are the top tourist destination in the world. More recently, in the Second World War, the US managed fantastically to bank on its victory, not only with the Marshall Plan but with Hollywood. It was very interesting to read the transcript of last week’s session with the ambassadors. I disagree with the ambassador from Brazil, who said that the reason why Hollywood is so successful is that Washington and central government never interfere with it. Well, this is not the case. It is the cultural arm of central government. In the early 1930s, Hollywood was not producing films that would irritate Nazi Germany, but then it changed tack, because there was a battle for hearts and minds. It was a question of winning the American public for an intervention and it produced masterpieces such as “Casablanca” in 1942—and we love it. I do not know whether you have noticed but, more recently, American films have had a lot of Chinese characters in them. Why is that so? It is because Hollywood is trying to reach a Chinese audience. In China, Chinese people have the choice between Chinese and American films.

The Chairman: Or British television, so we are told.

Agnès Poirier: Well, I am not quite sure. The films abide by Chinese censorship. There is nothing that is controversial—action movies with a lot of Chinese characters. That is interesting, because Hollywood sells the American way of life and it will generate products, because people will want to consume American products. To finish with Hollywood, let me just say that, as you know, the MPAA—the Motion Picture Association of America—which is a powerful lobby, is trying through the trade negotiations between the EU and the US to get rid of the famous French cultural exception. The head of the MPAA is by tradition someone who is very close to the Administration. We had Jack Valenti, who was a close adviser to JFK. Christopher Dodd, the current head of the MPAA, is a former Democrat Senator. Culture and the arts are very much part of this. You talked about pop music, but what are we talking about? We are talking about the market. In France, the view is that culture is not only an entertainment; it is also an intrinsic value and a way of reaching out and having a cultural reach in the world.

To go back to the story after this digression, France traditionally has an ambitious cultural policy, because that is the way we have done it since the Sun King—I guess France was the first. It has served France very well. Why should Paris, which is supposed to be rather a dead city compared

to London, still be attracting 33 million people from around the world? I think it is about soft power, but it is also something that has been building for centuries. France is still a tourist destination, which I do not think is due only to the scenery; I think it is to do with culture. I will stop there. I am sorry; I have taken rather a long time.

Q208 Lord Janvrin: I want to come back to a point that you made, Professor Anholt, about the need for an overall strategy, which Agnès Poirier touched on. You said that this was holding us back. I have two questions. Is anything else holding us back? As my colleagues have said, there is a lot of talk about the assets and advantages that we have, but what else is holding us back? What else should we be looking at that we could do better in this field? Secondly, you identified the lack of a strategy as one thing that is holding us back. Can one actually have a soft power strategy when so many different players are involved—governmental, non-governmental and civil society? Is this really a practical proposition to put to us? I would like to ask that question to all three of you.

The Chairman: Mr McClory, why not answer that first?

Jonathan McClory: Sure. On the soft power strategy, I think that it is a terrible idea to have a discrete soft power strategy. The Government should perhaps replicate something like the strategic defence and security review, which we had in 2010—I think it was a good thing to do, but it was only about the military. Where was the strategic diplomatic review, or whatever we want to call it? At the same time, in 2010, the US State Department put out the QDR—the quadrennial diplomatic review—which looked at the soft power side of things. It was a comprehensive overview of “civilian power”, which was the term that was used to get away from “soft power”. I would argue that you would want a cross-government strategy that takes account of everything that we have been talking about in relation to soft power but also connects the dots where they do not seem to have been connected. Let me just use one example, to get on to one potentially hot-button topic, I suppose. I am talking about a grand cross-government strategy around not just foreign policy or defence policy but all aspects of Britain’s international affairs, incorporating all the international economic objectives that the country might have—from foreign direct investment, increasing tourism and increasing exports through to worrying about security issues. Of course Britain’s influence would be crucial to this strategy and how people perceive it. If there had been such a strategy, somebody would have joined up the dots on what I think were called on Twitter the ‘racist vans’, when the Home Office was going to lock up illegal immigrants and drive that van around parts of London. Somebody in No. 10, the Cabinet Office or the Foreign Office would have had a phone call from the Home Office, saying, “We’re thinking about putting these vans out. Do you think it’s going to be a problem?”. Ideally someone would have said, “Maybe we want to think about this again”. I realise that this was a bit of storm in a teacup when it happened here in the UK, but the reason why I bring it up is that just last week—there was a bit of delay, which shows how long these things can lag—on the front page of CNN’s news website the featured story was about the Home Office’s ‘racist vans’. I do not know the exact figures—I do not have them with me—but a lot of people internationally would look at CNN.com and that was bang in the middle as the main-page story. Ideally, if you had a cross-cutting strategy that dealt with all those things, you would be able to avoid big mistakes such as that.

The Chairman: I am just going to make the observation—without defending, supporting or attacking what happened—that that is a softer way of telling people to go home than having the

police knock on their door, dragging people out and chucking them on a ship or whatever. It is a soft approach.

Jonathan McClory: Not in terms of the way people would see it. I suppose that if people are not supposed to be there and the police show up at their door, that is fine—it is within the limits of the law and the police are doing their job. If the police have reason to believe that someone is there illegally and they are following due process of law, that is fine, but the issue is broadcasting it in such a way.

The Chairman: You are right that in the new conditions in which we are operating it came out as much worse than it would have been if it was done in the quiet of the night.

Jonathan McClory: Exactly.

The Chairman: It is very interesting.

Q209 Lord Forsyth of Drumlean: Just on that point, Lord Chairman, I agree that it was a daft thing to do, but the idea, given all that happens in government, that somebody rings up some central body, perhaps No. 10, is not a strategy or a practical proposition.

Jonathan McClory: No, it is not a strategy at all, but I think—

Lord Forsyth of Drumlean: You said that you were going to give us an example of how a strategy could work. I follow you up to that point, but it is not clear to me how these things are tied together in practical terms. I cannot see your example working of there being someone central whom you ring up to ask, “Is this consistent with the strategy?”

Jonathan McClory: This is a problem that goes back to Fullerton or even to Northcote-Trevelyan and is about how silo-ed government can be, so maybe it was a bad example to use as an overarching strategy, but it is an example of something that government did that ultimately has an impact on influence.

Lord Forsyth of Drumlean: Could you give us an example of the sort of thing that could be practically achieved to meet the objective? It is great to say that we should have a strategy, but I find it very difficult to see what that would mean in practical terms.

Jonathan McClory: I think you would have to start by working out what the objectives would be. What is the UK for? What does it actually want to achieve internationally, or even here at home economically? I do not think we have answered that question really. I realise, with respect to the Foreign Office that—

Lord Forsyth of Drumlean: Let us assume we have done that. We are talking about how we can use soft power to achieve it.

Jonathan McClory: One of the biggest things that government can do is to do no harm, which obviously they have not managed to achieve recently, I would say.

The Chairman: They have not managed to achieve that?

Jonathan McClory: If we take doing no harm as one example, yes.

Lord Forsyth of Drumlean: How about doing something positive? How would we achieve that?

Jonathan McClory: How do we achieve something positive? We stop doing what is negative, I suppose. I can pull out more examples: cutting funding to the BBC World Service or the British

Council, or reducing Chevening scholarships, which I think is a big mistake. Let us take a look at the GREAT campaign—I am sure we will get on to it eventually. Some £30 million has been allocated to that campaign for 2013-14, while at the same time we are cutting funding for all these other things. I would take that money and invest it in relationship-building programmes in a country such as China, which, as Simon has said, we have not done that well breaking into because we do not have that much brand recognition.

We can do something more important around that, deciding where the priority countries or the priority markets are that we do not feel we have made the inroads into where we should have done and then starting to pursue programmes that help us to build relationships and ultimately to build up our reputation and thereby opportunities.

Q210 Lord Hodgson of Astley Abbotts: That has shot my fox, really, because it seems to me, when I hear you talking about it, that the soft power strategy is like those lovely soap bubbles you used to blow when you were a child. They were lovely bubbles, but the moment you touched them, they burst. I am still struggling with how you translate this bubble, with its lovely colours in the sunshine, into the realities. Professor Anholt, you have talked about this, but I still do not quite get how you move from the fact that it is there and it is happening, maybe despite what the Government are doing.

Simon Anholt: My experience suggests that anything that looks even remotely like a police force is unlikely to work. I cannot recall at the moment who asked the very valid question: can a large, rich, busy, prosperous, complex country like Britain really adopt happily yet another layer of bureaucracy? The answer is almost certainly not. A body that was hoping, presuming, to vet policies from a range of different ministries and departments and saying, “You cannot do that because it is off brand”, we know realistically would not be very popular and would not last very long.

Can it work? Lord Janvrin’s second question was whether strategy was even possible for a country like Britain. My honest answer is that I do not know, because the majority of countries that I have advised over the last 20 years have been rather smaller, some of them not much smaller and one or two of them even bigger. What seems to work is having some sort of central body that owns the grand strategy—the “everything” strategy—that answers these questions. What is this country for? What is its purpose in the world? If the hand of God should accidentally slip on the celestial keyboard tomorrow and hit delete and Britain went, who would notice and why? These questions might sound a little airy fairy, but in the age of globalisation we at least have to try to answer them. That central body owns that strategy and then it imposes it by providing services to the other branches of government, rather than acting as a policeman. In other words, instead of offering to vet people’s policies, it suggests actions that they could take that would be cost-effective ways of getting across the messages that people want to get across.

We had something attached to the Foreign Office called the Public Diplomacy Strategy Board, which later turned into the Public Diplomacy Board, on which I sat as vice-chair throughout its life. One of the things that I tried to initiate on that board was called the PD Lab—the public diplomacy laboratory. The idea was that it was a central creative facility that would look at the projects and the plans that ministries and agencies of government were undertaking and see whether it could come up with some creative twists on things, some new ways of doing things that would catch the imagination. The idea was that it would offer them as a service to government departments and say, “We know that you are trying to put on a trade show in Shanghai next year. We know it is costing you a lot of money. Here is an idea, free, if you want to

adopt it, which will give more bang for your buck. It is more exciting, more original, less boring, less predictable, and it will connect you with a wider audience. It will get the social media talking about it, because it is more unusual and more unfamiliar to people”. These are not difficult tricks to perform if you know how to do them. The trouble is that most people working in government departments are not familiar with that kind of creative work. In a word, if one is offering useful value-added services to government departments from a central point, that makes it not only much more acceptable but also much more possible to steer the entire ship of state in one direction ultimately.

The Chairman: What happened to that public diplomacy initiative?

Simon Anholt: We were axed.

The Chairman: On the grounds presumably that they did not feel it was adding value.

Simon Anholt: I never found out the reason. This was when the current Government came into office, and presumably they decided that they wanted to look at it in a different way. The Public Diplomacy Board was dropped at that point.

Lord Forsyth of Drumlean: What did it achieve?

Simon Anholt: We carried out a number of pilot projects where we experimented with public diplomacy in Canada, Jordan and one or two other countries. That is all on the record; I will not waste the Committee’s time with it now. Some of those were quite effective.

The Chairman: Can we get a note, perhaps?

Simon Anholt: Yes of course. I will dig that out for you with pleasure.

Q211 Lord Hodgson of Astley Abbotts: Just talking about that particular body, the Cabinet Office had this behavioural science unit—the nudgers, as they are called. That is to say that they tried to show people indirectly how to behave better, live healthier and so on. Could one use behavioural science as a way of developing our reputation and our soft power?

Simon Anholt: I think it is a very important part of the discipline. In order to understand soft power, one needs to understand quite a number of different disciplines. It is one of the reasons why it is such a lovely subject: one has to be a bit of a sociologist, a bit of an anthropologist, more than a bit of a psychologist, as you rightly point out. This is complex stuff. We are framing this whole debate as though it were a series of enormous challenges for the United Kingdom, but actually it is an enormous opportunity for us precisely because the United Kingdom may not have very much hard power to wield in the future. It is tending to diminish. It is extraordinarily important that we become paragons of soft power. We should be leaders in this kind of stuff. That is why it is very important that we develop these skills, and it is very good that we are having this inquiry. We need to be better at it than we are. One of the reasons why I rather regret that the Public Diplomacy Board was disbanded was because we were beginning to have those all important theoretical discussions about what soft power consists of.

In answer also to Lord Forsyth’s question a moment ago, one of the other things that we looked at and which I think is extraordinarily important is measurement. I may be old fashioned, but if you are spending taxpayers’ money on this kind of stuff it is extraordinarily important that you should be able to set and define goals and measure your progress towards them. There is a lamentable habit in this area not to bother and just to say, “It sounds good so let us carry on doing it”.

The Chairman: At the beginning you yourself unpicked the concept of soft power and said that there were four or five aspects of it. Furthermore, you said that there are millions of different contacts with a now empowered populace. It is a people-connected world. It is a bit challenging, a further demand, is it not, to ask the government machine somehow to bring this all together. You are asking the impossible.

Simon Anholt: It is impossible to do it using existing structures. That is why, in the paper that I submitted to the commission, I argued for a new structure. I know that people's hearts tend to sink at the idea of a new structure, but in my experience with a number of other countries I have never come across a country that is correctly configured to manage these assets, which we have been calling by various names. It has always been necessary for me to invent those structures and for countries to create them and adopt them. It does not necessarily have to be a vast additional burden on the bureaucracy, but most Governments struggle with systems and structures that frankly were invented in the 19th century, not even the 20th century. The world has changed around us, new systems and structures are required, and we should be looking into them.

Q212 The Chairman: Mr McClory, take us on to the difficult area of how we turn the soft power assets that we have—we are connected with almost every conceivable international institution, although some new ones we are not connected with—into a real benefit for this nation in the form of the ultimate requirements, which are that we can hold our head up in terms of prosperity and earning our living, which means the successful exports of goods and predominantly more and more services, and how we secure the security of our citizens by ensuring that we play our part in trying to prevent the growth of terrorism and hostile feelings throughout the world. Those are the two ultimate tasks. How do we use this soft power to achieve those?

Jonathan McClory: I suppose that is the million dollar question. That is gold dust, and anyone who can answer that perfectly will have a very good living, I should think. It is quite difficult. We hinted earlier that as soon as government overplays its hand, people are quite quick to work that out, so trying to achieve tangible benefits has to be done with a very deft touch. Is that the Division Bell?

The Chairman: I am so sorry. I should have warned you at the beginning. I do not know whether it is our soft power or just our antiquity, but we have to break for five minutes.

Sitting suspended for a Division in the House.

Q213 The Chairman: I apologise for the interrupted nature of these sessions, but that is the way our system works for the moment, until constitutional reform changes it. I would like in these last few minutes to come back to the question with which we really began: what has changed? We have a sense in this Committee that really massive change has taken place, that the interface between nations is of a much more dispersed nature—between professions, between peoples, between lobbies and between interests. We would like your wisdom, all three of you, on whether that is so. Once you have established clearly that we are operating in new conditions, we can focus on the new instruments that we require to improve our performance and to hold our head up in an extremely competitive and dangerous world. So can I take all three of you back to

where you began? Professor Anholt, you began with that theme: the hyperconnectivity of the world we live in.

Simon Anholt: Yes, it is true; things have become much more complex. They have changed enormously. It is important not to misrepresent the change that the internet and social media have created in this domain. There is a tendency among many Governments to see social media as some exciting new medium of communication via which they can somehow more effectively communicate their power or extend their influence. That is a misunderstanding of what it is all about. The reason why social media are so significant is that they have made a journalist of everybody. They enable ordinary people around the world to learn about our countries and to make their decisions about where to invest, where to go on holiday, which products to buy and so on, on recommendations from millions of friends.

The Chairman: But also to protest on recommendations.

Simon Anholt: Also to protest. That environment is a friend to Governments who know how to use it correctly. Perhaps “use” is a misleading word: you cannot use it; it is just there. It means that when countries behave courageously and imaginatively, and do things that are moral and helpful to people in other countries, the social media will communicate that message for them. One of the messages which I have been trying to get across ever since I foolishly coined the term “nation brand” back in 1998 is that this is not about branding. The term that I am accused of having coined is “nation brand”, not nation branding. Three letters make a big difference, because “nation brand” is just an observation that we live in a world where countries’ reputations are perhaps their most valuable asset. That is the basis on which we are judged. People do not know the facts; there are too many countries for them to know the facts. So they base their behaviours on perceptions. Therefore, when a Government come into power, they inherit a sacred responsibility to look after the nation’s good name, because a nation’s good name is its most valuable asset. A Government are judged as being good if they hand on that reputation in at least as good condition as they received it to the Government who come next in office. The idea that one can somehow modify that reputation directly using the tricks of marketing or communications is entirely false. I have never seen any evidence that telling people how great your country is, or how beautiful, powerful, effective or successful it is, achieves any effect whatever. One of the great things about globalisation is that it has made propaganda impossible. Propaganda works only when you control all the channels of communication reaching your audience. In a closed society such as North Korea, it is still just about possible, but in the global environment it is a stark impossibility. However much money we spend on sending out a message to people saying that Britain is wonderful or great or super, it will immediately be contradicted by 1,000 or 10,000 other messages. Countries are judged by what they do, by what they make and by the company they keep, not by what they say about themselves. One should steer this image conversation away from bragging about one’s assets and asking “What can we say to make ourselves admired or loved?”, which is the wrong question. The right question is: what can we do to make ourselves relevant? What can we do as a country that will make other people in other countries feel simply glad that the United Kingdom exists? That to me is what we should be aiming for.

Q214 The Chairman: That is a very subtle difference. Mademoiselle Poirier, you mentioned earlier that, in a sense, the glory of France has been well projected down the centuries—there is nothing new to that. The skill with which France has combined being a highly effective centre of the European Union yet at the same time somehow portraying that it is all for France is much

admired this side of the Channel. Do you feel that, despite what you said about your history, things have changed and that France needs to sing a slightly different tune?

Agnès Poirier: In what way?

The Chairman: That everyone is connected with everyone, that Governments are weaker, that connectivity has vastly grown, and that globalisation, communication and the information revolution have transformed the language of international relations.

Agnès Poirier: I totally agree, but it is also a big illusion. We are more connected, but we are also more fragmented. As you know, in France, we are quite suspicious of globalisation. We have not wholeheartedly embraced it, because we are quite aware of consequences. If you talk about the internet or the decline of the French language, it is quite obvious. Despite this and despite the fact that France has had economic decline ever since I was born—ever since I was born, I heard that the country was going to the dogs—it is still standing. Obviously, Germany is the powerhouse of Europe. We have not talked about Europe and we have not talked about Britain having greater assets. Britain has huge soft power—if we have to use that term. But in the past two years, because of this increasing insularity—that is how it is viewed from the continent—and this talk of Britain possibly leaving the EU, I think that its reputation has been undermined.

The Chairman: You think that Britain's reputation is undermined by talk of possible withdrawal?

Agnès Poirier: Yes, absolutely, because you have to engage with the world in order also for your products to be bought. It has been a bad thing. I do not think that in China France's image is better than Britain's image. However, Chinese tourists flock to France. Why? It is because Britain is not part of the Schengen area and because it has very strict visa policies. That also has an influence on British universities, which are centres for shaping the thoughts of the future elite in the world, yet a lot of foreigners have difficulties getting visas. At heart is the question whether Britain wants to be part of the EU. If it is not part of the EU, it can still have access to the single market—like Iceland, for instance—but it will not be within the Community and therefore is not going to be part of the decision-making. That would be a massive blow to British soft power. That is my personal opinion, but it is also an opinion from the continent.

Q215 Lord Hodgson of Astley Abbotts: Surely you are projecting the EU as a quasi-economic powerhouse. That is not part of our soft power; our soft power is something quite unique to each country. There is not a European soft power dimension, is there?

Agnès Poirier: Well, ask the Chinese. They go to Europe and they go to where it is easier for them to go. At the moment, they go to Paris. That is a shame, because, if they had a choice and if it was as easy, they would flock to London. That has consequences for the British economy.

Simon Anholt: I believe that we have just streamlined our visa policy for the Chinese in recent weeks.

Agnès Poirier: One of the Members—he is not now here—talked about languages. Languages are key, too, to Britain's reputational influence. The English language is the lingua franca—there is no doubt about it—but we should not live under the illusion that the whole world understands it or speaks it. The teaching of foreign languages is very important. It takes two to tango; you need to understand others for others to be interested in you, otherwise there is a feeling that there is contempt towards the outsiders. A whole generation of linguists will be lost to Britain. Diplomacy is key in soft power. If British diplomats start learning a foreign language in their late 20s or early 30s, it is not very good for the country.

I think we are short on time.

The Chairman: No, we are fascinated. Please feel free to let it out.

Agnès Poirier: I will take just one example. It is a French institution created in 1946 just after the war called the National Centre for Cinema. In Britain, you had the Film Council, financed by lottery money—it does not exist any more; its functions are now with the British Film Institute. The National Centre for Cinema is an institution that works very well in France. I want to debunk a few myths, because in Britain we think that France's art or culture is heavily subsidised and that it would collapse the moment this subsidy was withdrawn. That National Centre for Cinema does not rely on taxpayers; it does not rely on the state budget. It relies on regulations and on some taxes and levies; for instance, on every single cinema ticket sold. TV broadcasters have to invest a percentage of their turnover, and the centre manages the redistribution of those revenues. It has a budget of €700 million a year, whereas its Spanish counterpart has €43 million. As I think you will know if you go to the movies from time to time, French cinema is one of France's big assets, but behind this there is policy.

The Chairman: There is a deliberate policy.

Agnès Poirier: Exactly. It sustains an industry of 400,000 people in France, but it works on both an economic and artistic level. It reaps rewards at all international competitions. For example, in 2012, "The Artist", a black and white silent film, scooped five Oscars in America. It is a film that Britain would not have made, because unfortunately Britain often leaves it to the market to decide and such a film would not have been produced.

The Chairman: That is an extremely good example. Very interesting. Thank you very much.

Jonathan McClory: I want to pick up very quickly on the EU point. The EU's eastward expansion is one of the examples that are held up as a great soft power success. It was not just access to a large single market; it was former Communist countries signing up to western values of a capitalist market and western political institutions. It is a good recent example of soft power versus hard power. Moldova and Ukraine are just concluding association agreements and free trade agreements with the European Union, and they are doing this against some pretty hard threats from Russia, which is trying to create a Russian-driven Eurasian customs union. This is a really great example of soft power triumphing over hard power, over coercion.

To come back to your question about how the world has changed, we could have looked at this at the very beginning and we have touched on it. Power moving from the West to the East is one of the major shifts that are happening globally. This is both economic and political power, but also power shifting away from states to non-state actors. The second big thing that is changing is the rise of networks, so now countries have to mobilise other states but also non-state actors to get things done. The third shift which we touched on is technology and the speed at which information moves. The democratisation of access to information is empowering to people, and we see that in all kinds of movements, from the Arab Spring to the Occupy movement. The fourth one, which Simon mentioned, is transparency or the death of propaganda. You cannot communicate one message to international publics while communicating a contrary message to your own people—it just does not work. I would say that the fifth—and we have not touched on this at all—is the process of urbanisation. We now have more than half the world's population living in cities, which has big implications for the economy and for how innovation happens, how ideas spread, and how political movements start and manifest. It is not that soft power is changing the world; it is more that soft power is a response to these changes. The states that learn how to

deal with these challenges through the use of soft power are those that will be more influential in the future. Right before we broke for the Division, you put the very difficult question to me of how we take soft power to meet objectives. There is no real clear answer to that one, or certainly not a straightforward one. There are two answers, I suppose. One is the academic one, which is we first ask what our objectives are, we work out what our soft power resources are, we identify the targets for these resources and we then deploy and hopefully see some kind of an outcome. But that is pretty abstract. I think the real answer is simply to be useful, to make good products that people want to buy, to provide good economic opportunities that people want to invest in. It is simply about being useful to the rest of the world and being good, and that is how you create those opportunities.

The Chairman: A couple of final questions, because I think that we are going to have another vote in a minute.

Lord Foulkes of Cumnock: We are okay.

The Chairman: In that case, we can be more relaxed. Jonathan, was the implication of that excellent summary of five things that have changed that we are going to see city talking to city more?

Jonathan McClory: We saw it, did we not, with Boris Johnson going to China?

The Chairman: We are living in a city state in London. Therefore, the international interface is going to be between city and city rather than between national Government and national Government.

Jonathan McClory: I think so. People are talking it up a great deal, and it will be interesting to see how cities respond to things where they cannot do without the state, visa policy being one. We know that Boris Johnson is not happy with visa policies, whether it is in respect of students or of skilled immigration, but he cannot do much about that as a mayor.

Q216 Lord Forsyth of Drumlean: Professor Anholt, you talked about the death of propaganda and said how the internet world, Twitter and everything else would form their own views. That is the reality, but, certainly in Britain and elsewhere, there is a breakdown of trust in institutions, whether they are Governments, the police or whatever. We have ambassadors to communicate in 140 characters on very complex subjects.

Lord Foulkes of Cumnock: I have just done it.

Lord Forsyth of Drumlean: Well, George would no doubt have used each character very well. You said something that rather startled me. I forget the exact phrase that you used, but you said that they will always get it right. You get media storms—and we have seen it, for example, over Andrew Mitchell and the whole plebgate thing, where the whole world reached one conclusion that has now been turned upside down. I can see the power of social media, of course, but I can also see the negative aspects of social media, particularly in a world where people no longer trust institutions. They will take the view of half a dozen people whom they do not know but who have expressed an opinion on a website against the IMF or Michelin or other authorities that used to have soft power by virtue of their reputation. Am I wrong to worry about this? If I am right to worry about it, what is the remedy?

Simon Anholt: You are right to worry about it. Of course, the flipside of social media is mob rule, and it is very worrying sometimes. We all have to get better at understanding it; we have no

choice. We need to get better at understanding what sometimes creates a firestorm on the internet and what does not. These things are not beyond understanding; I think that we are still a bit unfamiliar with it all. If the traditional voices of authority have lost authority, it is probably at least partly their fault. Another part of this examination has to look at what that process of loss of authority was and where it came from. Is it that people started losing faith in politicians merely because there was something more fun, more interesting or more democratic apparently available to them, or was it because those politicians too frequently showed themselves as being not worthy of trust and respect?

Lord Forsyth of Drumlean: Sorry to interrupt you, but it is not just politicians, it is the police, the courts, the media—it is everything.

Simon Anholt: It is all of them, and as we have seen in the recent inquiries about the behaviour of the media, it is very easy to see how the media have lost their moral authority. It is not quite fair to say “the media” as if it were one thing, but you can equally well see how a member of the general public might start thinking, “Clearly we cannot trust the media any more, because clearly they have not behaved well. Clearly we cannot trust the politicians any more”. People simplify, and this is something that public opinion has always done. There is nothing very new about that. What is new is that these things can catch fire very quickly. The fires tend to die down quite quickly as well, but I am afraid the only answer is that we just have to get better at understanding it. Some of the work that is being done today appears to be making progress.

The Chairman: That sets a very big task for us. I will give Lord Foulkes the last word on this.

Q217 Lord Foulkes of Cumnock: I am honoured. I think it is one you will expect. Have you detected any effect of our constitutional discussions in the United Kingdom, either in relation to Scottish independence or withdrawal from the European Union? Have they had an effect in any way, either positive or negative? Have we dealt with that question?

Baroness Goudie: We did not deal with Scotland but we dealt with the European Union.

Simon Anholt: I have not tried to answer the question on the basis of whether my research tells us anything about that. The answer is no, and I have had this discussion with the Scottish Government on a number of occasions. In my survey, we have measured the image of Scotland as distinct from the rest of the United Kingdom, just to see whether it is independently viable in reputational terms. The answer is that it is: Scotland scores about the same as New Zealand—in other words, very high. It is a much admired country. If you force people to think of it as different from the UK, they do and it is positive.

I suspect the issue is that in the event of a real dismantling of the union—I should never make predictions about my own survey; I should have learnt this by now—it will not have a dramatic effect on either, because that is rather a technical issue. One of the things I often say about this survey—I know it is politically incorrect—is that when you are dealing with public opinion you are dealing with a seven year-old. I have tested this, by the way, with a group of psychologists, so to a degree it is scientifically proven that public opinion has a mental age of around seven. That seven year-old is not quite clear at the moment what the difference is between Scotland, England, Britain, the British Isles, the United Kingdom, London. It is all the same thing, as far as they are concerned. If one day they happen to read in the news that Scotland has become technically independent of the rest of the United Kingdom, the most likely reaction is going to be, “Oh, you mean it was not before?”. Then they will forget about it in a week.

The Chairman: That is a marvellous answer to end on. It raises other questions about whether the Republic of Ireland is really part of the United Kingdom as well—

Simon Anholt: There is a lot of confusion on that point too.

The Chairman: And other daring thoughts about the British Isles. Perhaps the British Isles has a future in a different context.

We must halt it here because we have kept you a very long time. It has been fascinating. We have to distil a lot of what you have said. It is not easy to put a wrapping around all of it very neatly, but Professor Anholt, Mademoiselle Poirier and Jonathan McClory, thank you all very much for your wisdom. We expected no less, and we have enjoyed the session. Thank you very much indeed.

Professor Simon Anholt- Supplementary written evidence

Introduction to the Anholt-GfK Roper Nation Brands IndexSM

The way a country is perceived can make a critical difference to the success of its business, trade and tourism efforts, as well as its diplomatic and cultural relations with other nations.

Since 1996, when he coined the term 'nation brand' and gave birth to this important new field, Simon Anholt has been helping governments plan the policies, strategies, investments and innovations which lead their country towards an improved profile and reputation. Professor Anholt developed the Nation Brands Index[®] in 2005 as a way to measure the image and reputation of the world's nations, and to track their profiles as they rise or fall. In 2008, Simon Anholt entered a partnership with GfK Roper Public Affairs & Media to offer the Anholt-GfK Roper Nation Brands IndexSM – an expanded Nation Brands Index[®] providing governments and their agencies with a one-of-a-kind resource for actionable insights needed to more effectively manage a country's reputation.

Conducted annually with GfK Roper beginning in spring 2008, the Anholt-GfK Roper Nation Brands IndexSM measures the image of 50 nations. Each year, approximately 20,000 adults ages 18 and up are interviewed in 20 core panel countries.

The Anholt-GfK Roper Nation Brands IndexSM measures the power and appeal of each country's 'brand image' by examining six dimensions of national competence. Together, these dimensions make up the Nation Brand Hexagon[®].

Exports. This is what marketers call the "country of origin effect" – whether knowing where the product is made increases or decreases people's likelihood of purchasing it, and whether a country has particular strengths in science and technology, and has creative energy. Perceived associations with particular industries round out that country's image in this space.

Governance. This aspect incorporates perceived competency and honesty of government, respect for citizens' rights and fair treatment, as well as global behavior in the areas of international peace and security, environmental protection, and world poverty reduction. Respondents also select one adjective that best describes the government in each country.

Culture. Cultural aspects measured are perceptions of a country's heritage, its contemporary cultural "vibes" from music, films, art and literature, as well as the country's excellence in sports. Various cultural activities are presented to respondents to gauge their strongest images of a country's cultural "product."

People. The general assessment of a people's friendliness is measured by whether respondents would feel welcome when visiting the country. Additionally, we measure the appeal of the people on a personal level – whether respondents want to have a close friend from that country – as well as human resources on a professional level, that is, how willing respondents would be to hire a well-qualified person from that

country. Respondents are also asked to select adjectives out of a list to describe the predominant images they have of the people in each country.

Tourism. Respondents rate a country's tourism appeal in three major areas: natural beauty, historic buildings and monuments, and vibrant city life and urban attractions. Tourism potential is also asked: how likely they would be to visit a country if money is no object and the likely experience represented by adjectives such as romantic, stressful, spiritual, etc.

Immigration and Investment. Lastly, a country's power to attract talent and capital is measured not only by whether people would consider studying, working and living in that country but also by the country's economic prosperity, equal opportunity, and ultimately the perception that it is a place with a high quality of life. The country's economic and business conditions – whether stagnant, declining, developing or forward-thinking – complete the measurement in this space.

The NBISM score is an average of the scores from the six indices mentioned above. There are between 3 and 5 ratings questions for each of the indices. Ratings are based on a scale from 1 to 7 with 7 being the highest and best, 1 being the lowest and worst, and 4 being the middle position which is neither positive nor negative. Each hexagon point also has a word choice question which helps enrich the understanding of the properties of a nation's image.

The NBISM survey is conducted in 20 major developed and developing countries that play important and diverse roles in international relations, trade and the flow of business, cultural, and tourism activities. Given the increasing global role played by developing countries, the survey strives to represent regional balance as well as the balance between high-income and middle-income countries. The core 20 panel countries are:

Western Europe/North America: U.S., Canada, the UK, Germany, France, Italy, Sweden

Central and Eastern Europe: Russia, Poland, Turkey

Asia-Pacific: Japan, China, India, South Korea, Australia

Latin America: Argentina, Brazil, Mexico

Middle East/Africa: Egypt, South Africa

In all, 20,939 interviews are conducted each year with approximately 1,050 interviews per country. Adults age 18 or over who are online are interviewed in each country. Using the most up-to-date online population parameters, the achieved sample in each country has been weighted to reflect key demographic characteristics such as age, gender, and education of the current online population in that country. Additionally, in the United States, South Africa, India and Brazil, race/ethnicity is used for sample balancing. The report reflects the views and opinions of online populations in these 20 countries -- citizens who are connected to the world.

The list of 50 nations is based on the political and economic importance of the nations in global geopolitics and the flow of trade, businesses, people, and tourism activities. Regional representation and,

to some extent, the diversity of political and economic systems are taken into consideration to make the study truly global. NBISM subscription members' interests are also reflected in the selection of the countries.

This report compiles the UK-specific commentary from the Anholt-GfK Roper Nation Brands IndexSM reports from 2008-2013, including a special additional report in 2012 following the London Olympics. The reports included from 2008-2012 were commissioned by the Foreign and Commonwealth Office; the 2013 report was commissioned by VisitBritain.

The full NBISM reports are normally between 40 and 70 pages in length and include a large amount of detailed analysis, charts and tables covering each of the 50+ questions in the NBISM questionnaire, and exploring the differences in response from each different population polled; comparisons with selected other countries, trend analysis from previous years and other forms of commentary are also included.

For the purposes of this compilation, which was specially produced for the 2013 House of Lords Soft Power Enquiry, only the highlights of the main findings from 2008 to 2013, and Simon Anholt's introductory comments, are included. The full reports for any of the years included, and earlier reports from the period 2005-2008 (when the survey was conducted quarterly, so twelve further reports were produced) are of course available on request.

UK Highlights and Implications: 2008

- The United Kingdom ranks 3rd overall in the 2008 NBISM
- The UK is ranked in the top 10 countries in all 20 panel countries except Brazil (11th), Argentina (14th), and Turkey (20th). China and South Africa are the most positive about the UK ranking it highest in their overall rankings.
- While not reaching 1st place overall on any of the six dimensions, the UK never falls below 9th place on any dimension, giving it one of the strongest national images overall.
- The UK's highest ranking (2nd overall) is in the Immigration/Investment dimension and is ranked first by China, Italy, Russia and South Africa.
- Even the UK's lowest ranking of 9th in the Governance dimension puts it in the top tier of 50 countries.
- The UK has a third place ranking on the Culture dimension
- The UK has a 6th place ranking for the People hexagon dimension, scoring very highly on having a reputation of producing valuable employees and are seen as skillful, honest and hard working.
- Its 4th place ranking for tourism is helped by its renown for having historic buildings and monuments and its educational value.
- Turkey, Brazil and Argentina give the UK some of its lowest rankings on each of the dimensions and overall.
- Australia, India, South Africa and the Western European countries stand out in giving the UK consistently high ratings across all six dimension of the NBISM.

The UK continues to score remarkably consistently in the NBISM, showing one of the most widely admired reputational profiles of any country in the Index. Typically, it produces few high points – it doesn't receive many top places from any country panel – but it almost never strays outside the top ten on any question, for any respondent country. It is this solid basic approval, combined with its consistently high profile and relevance to most audiences, that keeps the UK regularly within the top three countries in the Index overall.

Apart from the UK's foreign policy profile, it is hard to see where substantial improvements can be made in the country's international reputation. Obviously maintaining a high profile – through tourism and export promotion, as well as proactive and principled engagement in global political and economic affairs, cultural relations and media presence – is a critical task for current and future guardians of the British 'brand'. A reputation, as everyone knows, is never owned: it is only rented, and the rent must continue to be paid. The 2012 Olympics are seen as an important opportunity for the UK to perform some 'brand management', as the country will be more than usually present in the international media. In ordinary circumstances, the UK's image is so firmly fixed in the world's imagination that it can only be influenced at the margins, for very limited and specific audiences, and in the very long term. However, it seems unlikely that a highly successful Olympics will do much to boost the UK's international standing – simply because this is what people expect – nor, for that

matter, could a disastrous Olympics damage the country's reputation in any lasting way, because people's basic beliefs about the country are so well established.

However, as Germany's football World Cup has shown, there is a chance that a successful major event can enhance the country's self-perception, providing a unique opportunity for building social cohesion, optimism and a sense of common purpose, and this factor is in turn strongly linked to the country's external reputation.

Britain's tourism image retains a broad and positive appeal, and it is encouraging to see how powerful this appeal is in the developing countries that are likely to provide us with the bulk of our foreign visitors during the coming decades. However, there is no question that 'Brand Britain' needs constant and substantial investment in its emerging and more distant markets, in order to preserve its salience.

For a country that doesn't enjoy a warm climate, the emphasis will always be on cultural tourism, business travel and event-related tourism of one kind or another: Britain's tourism challenge, as ever, is to create a sense of urgency to visit that will overcome the more fundamental appeal of climate and lifestyle, to create and maintain the sense that Britain is in some sense unmissable.

UK Highlights and Implications 2009

- The United Kingdom continues to be one of the strongest nations – ranking 4th out of 50 in 2009, down from 3rd in 2008. This places the UK only behind the United States, France and Germany in the overall global ratings. Importantly, the United States' ascendancy to number one in 2009 appears to be the main catalyst for shifts in the top ten rankings, rather than significant stumbles by other countries.
- The UK has an exceptionally well-balanced reputation, performing well across all six dimensions that comprise a nation's reputation. From Exports, Immigration and Culture, to Tourism, People and Governance, the UK ranks no lower than 7th among 50 countries.
- **Exports:** The area of Exports is one of the United Kingdom's three biggest strengths. The UK has maintained its ranking among global citizens as one of the world's most intellectually vibrant and attractive countries to trade goods and services with – holding on to 4th place. A particular asset is the UK's reputation for contributions to science and technology.
- **Immigration/Investments:** The UK ranks 4th in 2009 as a good place to live or invest – pushed down from a tie for second with the United States in 2008 by the advancement of Switzerland to 3rd. It is in this dimension that we see the UK stand out for excellence in both education and in caring about equality.
- **Culture:** The UK continues to be one of the top five most highly-rated countries for heritage, vibrant city life and sports prowess, placing 4th this year – pushed down one rank by the ascendancy of the U.S. to third. Having exciting contemporary culture is a real draw for potential visitors to the UK, in addition to its history.
- **Tourism:** The UK is rated to be one of the top five most attractive countries for Tourism – coming in at 5th place in 2009, down one spot from 2008. It is notable that the UK maintained such a strong ranking at a time when global travel is down and consumers are hesitant to spend

money. It is the enduring strength of the UK's assets – its blend of fascinating history and exciting contemporary culture – that help it hold strong in the Tourism rankings. The UK however does not get as much recognition from global citizens for its natural beauty.

- **People:** The People dimension remains very solid for Britain, holding the 6th place ranking in both 2008 and 2009, despite a major surge by the U.S. (13th to 5th). The UK did this by outscoring Sweden which fell from 4th to 7th. What most drives the UK's strong score here is the belief that its people would make good friends and good employees. Of note is that the UK does not get as high marks for being welcoming to visitors – potentially an issue for tourism.
- **Governance:** The UK is seen to be one of the ten best governed countries around the world – improving its 9th place standing to 7th in 2009. The UK achieved this improvement by edging out Holland and Denmark. A key strength in the UK's reputation in this area is its perceived dedication to reducing poverty.
- All except six of the twenty survey countries place the UK among the top 5 out of 50 nations rated by the 2009 NBI. The six countries where more work is needed to strengthen the UK are Germany, Brazil, Mexico, Argentina, Egypt, and Turkey. China is another country needing some attention as its ranking of the UK (although still among top 5) has come down somewhat since 2008
- Global citizens do blame specific countries more than others for causing the current economic problems around the world. The United States, Germany and the UK are the top three saddled with the most responsibility for the global recession. However, these same countries – including the UK -- are also getting credit for helping to solve the problems as well.

Although the UK's rankings still continue to hold very steady from year to year, the country constantly faces new challenges in the reputation stakes, and we cannot rely purely on the natural inertia of national image to maintain us indefinitely in global esteem.

One challenge is simply holding on to that excellent reputation of ours, especially during periods when the 'natural' force is downwards: periods when our overseas interventions leave us vulnerable to scrutiny; periods when the global landscape changes around us, either through the gradual evolution of public values (which may or may not move in our favour), or else through the unpredictable shocks of externalities, or else through changes in the reputational capital of rival nations.

The continued stability of Britain's good name is all the more remarkable since we are living in a time when at least one of every category of these strategic challenges is being thrown in our direction.

Our overseas interventions? Our continued presence and prominent role in Afghanistan, and until recently in Iraq, keep Britain firmly in the eyes of the international media and the court of public opinion.

A changing moral climate? Global values continue to shift in favour of 'soft' values while we remain inextricably associated with hard issues.

Externalities? The credit crunch and the economic crisis has 'Anglo-Saxon' written all over it, casting us once again in the role of 'little Satan', and this time not merely for one group, but for the whole planet.

And changes in other countries' images? We are, it seems, no longer even in the company (or the shadow) of the 'Great Satan', who has become, with breathtaking suddenness, more angelic than satanic.

Britain is, in short, now facing a kind of 'perfect storm', an extraordinary array of threats and challenges to its international standing.

For the first three years of its existence, the Nation Brands Index provided abundant proof of my initial hypothesis: that national image is more fixed asset than liquid currency, and that hopes of being able to deliberately manipulate it from one year to the next were entirely misplaced. Indeed, no country's scores in the NBI ever altered by much more than one percent from one year to the next; most never changed at all. Image change, I argued, if it happens at all, occurs over decades if not generations. Historical analysis of countries like Ireland, Japan, Germany and South Africa seemed to confirm this hypothesis: if a country really wants to change its reputation, the country really has to change.

Then came the 'Mohammed cartoons' in 2006, and it emerged that, under certain unusual circumstances, a country could become very quickly very unpopular indeed. Denmark dropped 20 places in the ranking of our Egyptian panel (its global position was unaffected), and shows no signs of being forgiven even today: Egypt still ranks Denmark 48th in the 2009 NBI. The one thing that most Egyptians (and indeed Muslims in many other countries too) know about Denmark is the cartoons: this is now Denmark's "brand", and will likely remain so until the country does something even more dramatic, even more striking, and at least equally relevant to the Egyptians.

In the unlikely event that another country might wish to emulate Denmark and deliberately replicate such a huge drop in its score, it was clear that it would need to strike very hard, very visually and memorably, against a very widely held, extremely sensitive and extremely personal value in the 'target audience'; it would need the support of the international media as well as help from highly active, motivated and well resourced supporters in both countries; and it would need to orchestrate a great deal of endorsement of its actions from a wide cross-section of society (and preferably in neighbouring countries too).

It's difficult to imagine a circumstance in which any given country would wish to fall in the estimation of another population, but for me the interesting question was whether one could somehow 'reverse engineer' the cartoons crisis and use some of its critical components to produce a positive, yet equally potent alteration in the image of a country. It seemed unlikely: there is no conceptual or practical opposite of offending someone; and on the occasions where one country really does provide generous and disinterested help to another, it seldom results in a strong or lasting upswing in the reputation of the provider: America, for example, remains despised in several of the countries where it donates more aid than all the other donor countries put together.

And just when it seemed safe to conclude that a dramatic hike in any country's image was impossible, the 2009 NBI posts this astonishing leap in America's ranking, from seventh place to first in a single year. And, unlike Denmark's rankings in Egypt, this isn't just for one market: this is a global result. It has thrown the whole upper part of the Index into chaos.

For me, there is only one explanation for this phenomenon: it must be that First is in fact America's natural position in the NBI, and, like most nations and their images, it is tied to this position by a piece of very strong prejudicial elastic. It just so happens that since 2005 (and no doubt before, but 2005 was when I started running the NBI), a particularly dark phase of America's international relations has held it in an unnaturally low position. The arrival of President Obama – or, more accurately, the American electorate's decision to vote in President Obama – served to release that strong elastic, and 'Brand America' has simply snapped back into its accustomed place as the world's most admired country. (Interestingly, since the survey was launched, it has never departed from that position in the eyes of the Muslim respondents in the NBI).

The reason for my long excursion into America's results is because this earthquake in the NBI results has profound strategic implications for Britain and everything it does in the international domain for the foreseeable future.

For a start, it means that a window of opportunity has now closed. Whilst the US was, and was perceived as being, hostile to the world, closed for business, and generally in defensive or aggressive mode, the UK benefited as a highly acceptable Anglo-Saxon substitute for investment, tourism, culture and especially education. The 'real thing' is now back on the market, to put it crassly, so we had better look to our distinctive positioning in all these areas. Whether the UK is cheaper and more easily available than the Real Thing or more exclusive and prestigious than the Real Thing will depend on products and target markets, but the US is and always has been a formidable rival because it spans such a vast range of offerings from the extremely downmarket to the extremely prestigious, and it's simple very difficult to find a niche that it doesn't already occupy.

Secondly – and although this is primarily an international relations consideration it does have ramifications in many others areas – a poodle with no master on the other end of its lead tends to look rather lost. The role of 'little Satan', in the Muslim world, actually wasn't an unmitigated disaster for Britain: public opinion likes to compare countries, and Britain generally compared quite favourably with the United States. Several polls reported people in Iraq comparing the presence of British soldiers on their streets in a surprisingly favourable way to American soldiers. But if America is suddenly 'flavour of the month', Britain is left looking very vulnerable, very out-of-date and very forlorn. We have no Obama, and run a serious risk of ourselves snapping back into an image which is, tragically, all too familiar: that of unreconstructed and arrogant imperialist, out of tune with the times, our mere presence an unpleasant reminder of an unhappy and unmourned earlier epoch.

The furniture has changed all around us since we last looked, and we now have to do a lot of quick thinking. If we stay still, we run the risk of looking something rather worse than irrelevant: something positively unwelcome. Not even to stay ahead of the game, but to stay in the game, Britain needs to plan and execute its own 'great leap forwards'. We need to do it now, and we need to get it right, or the alternatives, on top of a catastrophically weakened economy, could cripple us for generations.

The 2009 NBI looks very good for Britain. It's the 2010 results I'm concerned about – and our next big opportunity to catch the world's attention (or at least the next opportunity we can confidently predict) isn't until 2012. That leaves three years which could see us lose more ground than we can reasonably expect the Olympic Games to make up again.

UK Highlights and Implications: 2010

- The United Kingdom remains one of the world's strongest and most well-rounded nations, retaining its 4th ranking for the second consecutive year
- The United Kingdom is rated as a top 6 nation on all six hexagon dimensions
- The UK has improved its Governance standing from 7th in 2009 to 6th in 2010, with its ranking notably improving at home. The British now score their country's governance at 9th (up 5 places)
- Featuring in the top 5 on all three questions making up the Exports Index, the UK retains its overall Exports position at 4th

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- The UK's downward movement on the Culture dimension continues with its ranking 3rd in 2008, 4th in 2009 and 6th in 2010. The UK's ranking on the individual Culture questions remain unchanged from last year, but its lower scores have brought down its overall ranking by 2 places
- Despite some shifts among the countries in the top 10, the UK remains stable at 6th place for the People dimension. The Turks and Egyptians, in particular, see the British as more welcoming this year
- The United Kingdom's appeal as a tourist destination continues with a 5th place ranking unchanged from last year. The limited perception of the UK as a place "rich in natural beauty" remains the biggest drag on the UK's Tourism score but the UK has moved up two places to 22nd this year on this question
- The UK's highest Immigration/Investment rankings are for its quality of education (2nd) and respondents' willingness to work and live there (4th) and its lowest is for quality of life (7th)
- Indian and Argentinean panelists give notably lower favorability scores to the UK compared to last year

The 2010 NBI brings another set of broadly reassuring and healthy results for the UK, and the arrival of a new government has provided a timely refreshment of our image in the general area of governance. It is an important part of the UK's particular reputational magic for it to continue to produce, from time to time, prominent and colourful political figures who demonstrate originality, courage, innovation and international clout (and it is worth noting that politics have almost no bearing on the matter: relatively few overseas observers know, or care, whether figures like Churchill, Thatcher, Blair or Cameron are left-wing or right-wing: the important thing is that they are recognisably British and suitably charismatic).

Yet again, the resilience – or, to put it less confidently, the inertia – of our global standing is shown to work hard in our favour, giving the UK a strong edge in many areas of commercial, cultural, political and economic engagement. It seems that our tourism, export and FDI sectors continue to do a good job as informal ambassadors for 'Brand Britain' around the world, and the strong admiration for Britain's 'country of origin effect' continues to suggest that our national image would support, and enhance, considerably greater numbers of successful consumer brands than we actually export these days. In other words, global consumers appear to be asking for more British brands that are associated with the characteristics of our national identity, and it's only a pity that we don't provide more of them, since the marketplace for them is so evidently there.

However, the continued steep decline in Britain's culture scores is a cause for serious concern. As I have often commented, a country's perceived cultural strength is an important proxy for its self-respect and general standing in the world. This decline needs to be examined urgently and rigorously, and the NBI results compared with other sources of data about the perceptions and performance of the UK around the world. It's nice to be admired, of course, but if that admiration, over time, appears to depend more and more on economic and other 'self interested' factors, and less and less on the human, expressive and historical dimensions which actually shape who we are as a people and as a society, something is not quite right.

It is of course gratifying to see Turkey's perceptions of the UK rise so steeply in so many areas, and some would argue long overdue that our continued support for Turkish EU accession is finally acknowledged in the preference shown to the UK by Turks over, say, France in the NBI. However Turkish views of the UK

(and indeed of several other countries) are in the end so volatile that it is difficult to know how to respond to them, or how seriously to take them.

Perhaps the most fascinating picture to emerge from the NBI during the last few years is the very gradual drop in absolute governance scores for the current Top 10 countries in the Index, even though the rank order remains virtually unchanged, and the corresponding rise in the governance scores given to emerging countries – even to China. It's as if the entire 50-nation index is very, very gradually preparing to turn itself on its head. These are undoubtedly the early confirmations of a gradual but definite shift in the world order, if confirmation were indeed required. The fact that these shifts in the fundamental axis of global influence are now clearly visible in a study like the NBI confirm that we should be looking very closely at these numbers, and in the light of the evidence, interrogating our longer term strategies for surviving and prospering in the new world order.

UK Highlights and Implications: 2011

- The United Kingdom remains one of the world's strongest and most well-rounded nations, climbing to 3rd in the world after two years in the 4th position
- The United Kingdom is rated as a top 6 nation on all six hexagon dimensions
- Featuring in the top five on all three questions making up the Exports Index, the UK retains its overall Exports position at 4th
- The United Kingdom has retained its global Governance standing at 6th, with notable improvements in Egypt, China, and at home. The Brits now score their country's Governance at 4th (up five positions from 2010 and up 10 positions from 2009). Among Egyptians, the UK's ranking for behaving responsibly in international peace and security efforts is up 17 positions
- As the nation prepares to celebrate the Queen's Diamond Jubilee and host the 2012 Olympics, the United Kingdom's Culture ranking has rebounded two positions, returning to 4th as it was in 2009 (from 6th in 2010)
- The United Kingdom's People dimension also has climbed two positions to 4th, much on the strength of being seen as more welcoming this year, including a 15 position improvement in China, a nine position improvement in Egypt, and a seven position improvement in Brazil
- The United Kingdom's appeal on the Tourism dimension improves one position from last year, putting the UK at 4th, due in large part to an increase in global citizens saying they would strongly like to visit the UK if money was no object; this sentiment has increased 12 positions in China in 2011
- The UK has retained its 3rd position ranking on the Immigration/Investment dimension; the highest rankings are for its quality of education (2nd only to the U.S.) and respondents' willingness to work and live there (4th behind Canada, U.S., and Australia)
- Across the NBI dimensions, although Turkey provides the lowest rankings of the UK on each one, Latin America as a region generally provides the lowest rankings of the UK
- Germany consistently provides the lowest rankings of the UK among western European nations

- Egyptians give the UK notably higher familiarity and favorability scores compared to last year, while the Turks give the UK notably lower familiarity and favorability scores compared to last year

It's reassuring, in the pre-Olympic year, to see the UK's international standing in such good health, and indeed posting some remarkable improvements on certain dimensions in certain significant countries.

There seems little doubt that the Olympics presents us with a unique opportunity to upgrade our traditionally somewhat lukewarm ratings for the warmth, friendliness and accessibility of our population: the fact that the British are respected rather than liked in so many countries is long due for a reassessment, and it is arguable that only a major event such as the Olympics has the power to separate people – if only for a moment – from their deeply-rooted prejudices about other countries and their populations, and thus admit the possibility of a reassessment.

However, as I have often commented, simply hosting a successful event in no way guarantees that it will have any beneficial impact on the country's reputation (indeed, South Africa's NBI scores after last year's World Cup clearly show that even a highly successful hosting of a major event can still damage a country's image). Audiences expect the event to be a success, and will only tend to notice the quality of the organisation if things go badly: what really matters is how the country uses the event to tell the world something new about itself. An Olympic Games, in other words, doesn't "do branding" to a country: it is simply a media opportunity, and what counts is how well that opportunity is seized.

Furthermore, the hosting of major events should be treated not as a sprint but as a relay race: close analysis of other countries and cities in the NBI before and after hosting major events shows that even positive impacts from these events have a tendency to be short-lived: the power of people's deeply-rooted prejudices for or against other countries is so great that, almost no matter what a country does to prove that it deserves a better or different reputation, over time it is most likely to revert to its traditional, historical image. Countries must understand that creating or influencing their images is like filling a bathtub once someone has stolen the plug: the moment people learn something new about other countries, they start to forget it. Britain must become obsessive about asking itself "what do we do next? What do we do next?" – and because winning, hosting and managing a major event is so demanding on resources and manpower, it's essential that new teams are standing by to take up the baton as soon as the event is over.

The legacy of the Games is often discussed in the context of urbanism, economics and society, but seldom if ever in the context of national reputation. It is essential that we explore not only how Britain can benefit from the potential of the Olympics, but also how we can ensure that we hang on to those gains, which are typically rather short-lived.

UK Highlights and Implications: 2012

- The United Kingdom remains one of the world's strongest and most well-rounded nations in terms of its image, maintaining its 3rd place rank it took from France in 2011. However, it has seen a slight decline in NBISM score since 2011, albeit less severe than many of its regional neighbors

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- The United Kingdom's stellar reputation is seen throughout the hexagon, ranking 6th or better in all six indices, including five 4th-place ranks
- As in the past, the United Kingdom faces relative difficulty on the Governance dimension, ranking 6th. Global citizens are notably critical of the United Kingdom's actions to protect the environment whereas its efforts to reduce world poverty are more widely acknowledged
- In the midst of the 2012 Olympics preparations, the United Kingdom's reputation as a cultural hub has remained largely stable. The Olympic host maintained the gains it achieved in 2011, holding its score steady
- The United Kingdom has also maintained its past gains on the People Index, ranking 4th again this year and holding its score steady
- At the same time, the United Kingdom has seen some score erosion on the Tourism Index. "Natural beauty" continues to be the biggest drag on the Index, with a 22nd position rank
- The UK has kept its 4th place ranking on the Exports dimension, although there has been a notable score decline
- The United Kingdom has fallen behind Germany on Immigration/Investment. "Educational qualifications" continue to be a strong point for the UK but "equality" and "quality of life" remain relatively weak
- Again this year, Turkey continues to be the harshest critic. However, Turkish opinions of the United Kingdom have increased notably since 2011, with large score increases across the indices
- Egyptians, conversely, have reversed their pattern, lowering their ratings of the United Kingdom drastically since 2011
- Key audience group analyses suggest that global youth is more critical of the UK than the older generation, although the youth are attracted to the UK's particular strengths including its creative energy, its appeal as a good place to live and work, its business opportunities and products. Executives and professionals are warmer toward the UK than the average global citizen on all fronts, especially regarding its Exports prowess.
- Descriptive profiles of the United Kingdom – based on word associations – suggest that the country is seen as creative, modern, educational and exciting with a reliable and trustworthy government.

A couple of interesting questions emerge from yet another set of stellar results for the UK's international standing:

- Does it matter that the UK isn't regarded as having beautiful countryside, and if it does matter, is there anything one can do about it?
- Does it matter that the UK's governance scores reveal a widespread perception – which is perhaps an accurate one – that in our international engagements we are more committed to reducing poverty than carbon emissions?

The answer is that it does matter, and there is something that can be done about both issues.

As regards the first issue, it is of course desirable for a country's landscape to be regarded as beautiful since this is a key tourism driver. There's no point in over-complicating things: the more people think that the UK has an attractive landscape, the more visitors we will get, and tourism accounts for nearly 9% of our GDP. But one must put this in context: however unappealing the UK's landscape may appear to some people, it's clearly not putting them off in any catastrophic way since we remain the seventh destination worldwide by visitor numbers (the attraction of events, cultural heritage and the built environment almost certainly makes up for this perceived lack of natural beauty in the landscape). Still, we have recently been overtaken by Turkey in global tourism arrivals, so every competitive opportunity needs to be analysed.

On a more general level, human beings tend to think visually, and if the picture of a country in their mind's eye is an attractive one, this is likely to tend to enhance their overall perception of the country: good tourism promotion, as I have often commented, has spillover effects on many other aspects of the country's image, just as the economic benefits of tourism spill over into the wider economy.

Of course, when considering this factor, it is essential to be completely objective about whether the British countryside actually deserves a higher ranking than it gets: the NBISM reveals a marked tendency for people around the world to regard their own countries as more beautiful than others do, and it may be that improving the UK's rank on this and related perceptual issues is mere vanity and wishful thinking. Taste in landscape is subjective, and hard to quantify. Certainly the NBISM suggests that the majority of our sample (which itself represents more than 60% of the world's population) has a taste for the dramatic, or the first four places on this question wouldn't go to Australia, Canada, New Zealand and Switzerland. The altogether lower-key charms of the British landscape may not be for everyone, and the irreducible perception of bad weather almost certainly feeds into the overall picture.

Nonetheless, the fact that the United Kingdom ranks alongside Holland on natural beauty (the Dutch countryside, while pleasing to the eye, undoubtedly lacks much of the variety, topography and occasional splendour of many parts of Britain), and fully seventeen places below Scotland, not to mention thirteen below Ireland, does suggest that this is more of an image problem than a reality problem.

Of all the image problems a country can suffer from, a true underestimation of the beauty of its landscape is one of the most straightforward to fix, and that's what much tourism promotion is all about: simply showing people how attractive the country is. Tourist Boards, unlike national governments, are given 'permission' by ordinary consumers to advertise their countries using conventional bought media, and their work, if generously funded and suitably high-class, can add greatly to the country's overall image, above and beyond their immediate remit of selling holidays.

The perception of 'greenness' is altogether a more complex matter. Much of the analysis I've been doing in recent years about what makes some countries more admired than others suggests that national images are significantly influenced by the perception of morality: the idea that a country contributes in some way to the human condition or to the planet appears to be a more potent driver of overall national standing than its stability, prosperity or beauty. In other words, it is better for a country to be appreciated than admired, and the perception that a country and its people, industry and government are acting in a principled way to address the grand challenges of our age, is an unfailingly powerful driver of reputation. This is perhaps particularly true of countries which like the UK are perceived to wield power,

since they are less easily disregarded and more readily identified as threatening if they are not seen as actively beneficent.

The United Kingdom, as I have often commented, depends utterly for its continued success on becoming a paragon of soft power: put simply, we need to provide as many people in as many places with as many reasons as possible to feel glad that the UK exists. Climate change is a concern for more and more people, especially the crucial younger audiences (who, as we have seen, tend to regard the classic high-ranking countries in the NBISM in a much poorer light than their elders), and climate-friendly behaviour is increasingly being seen as the 'cost of entry' to global esteem by such audiences. Environmentalism is correlated with morality, principles, public-spiritedness, intelligence, and much else besides.

Aid tends to be appreciated far more, by its recipients, than climate-friendly policies – indeed, almost by definition, many recipients of foreign assistance probably regard climate change as a rather remote threat – indeed, they correspond fairly exactly to the 30% of the world's population which, according to recent research by the Yale Center for Climate Change Communication, has never heard of climate change. But beyond its immediate beneficiaries, tackling poverty, at least in the conventional ways, just isn't as much of a crowd-pleaser as tackling climate change: it is widely assumed anyway that rich countries like Britain provide a lot of assistance to poor countries; it is seen as part of their duty as ex-colonisers (or even a means of assuaging their burden of colonial guilt); and it isn't very easy to publicise without loss of integrity. Combating climate change, on the other hand, seems to be regarded as more contemporary and more relevant to the wider needs of people around the world. So from a purely public diplomacy standpoint, it would be a pity if our reputation as donors was allowed to eclipse our reputation as innovative and proactive players or even leaders in the environmental sphere.

The best and most cost-effective kind of public diplomacy is of course done with symbolic actions rather than public relations and 'messaging', and we need look no further back than the Stern Review to see the powerful impact of this kind of action-oriented PD. The NBISM seems to be telling us that we have failed to follow up on that very successful episode in our climate-related public diplomacy, and our status on this critical issue is rapidly leaking away as the world awaits our next significant contribution to the challenge. We should not make it wait too much longer.

UK Highlights and Implications: 2012 Post-Olympics Special Report

- After successfully hosting the 2012 Olympics, the UK continues to have a widespread strong global reputation. The nation ranks in the top-5 out of 50 measured nations on all dimensions of the Nation Brand Hexagon®, with Culture, People, and Tourism garnering 4th place, and Exports, Governance, and Immigration/Investment at 5th position
- Fourteen of the 15 panel countries rank the UK within the top-10 on the overall Nation Brands Index. In fact, nine of the 15 panel countries – including the United States, China, Japan, Russia, and India – put the UK in the top-3
- Compared to the July survey, the UK's ranking has improved by one place in four large economies: the U.S., Japan, Germany, and Russia. Turkey is the only country ranking the UK

outside the top 10; however, the country is more appreciative of the UK after the London Olympics, showing improved favorability, and ranking the UK up two places on the overall NBISM. The UK has seen its only negative NBISM rank change in Brazil, where it now falls behind Switzerland. The rankings in the remaining seven survey countries have remained unchanged

- Within the six indices, on Immigration/Investment, Governance, and Culture, the UK has seen more rank gains than losses across the survey countries. Exports and Tourism are more stable, although the losses slightly outweigh the gains. The People Index has been the most volatile, with only one country showing no rank change between two waves
- The UK has seen the largest Index ranking improvement in Russia, up five positions on People. The next largest positive shifts – up three positions – come from Germany on Immigration/Investment, Mexico on Governance and Russia on Culture. The largest downward movements include Governance and Tourism in Brazil, Culture in Turkey, and Governance in South Korea
- The most consistent gaining attribute for the UK is “quality of life” which has seen eight rank gains out of 13 countries. Sport excellence and natural beauty follow, with rank gains in seven out of 13 countries. The next-tier of the UK’s gainers includes welcoming people, people’s employability, friendships, desirability as place to work and live, each of which has moved up in ranks in six out of 13 countries. It is noteworthy, however, that welcoming people have slipped in an equal number of countries, with the biggest losses in Brazil and Mexico
- Among the UK’s signature cultural associations, “sports” by far is the most consistent gainer; up in nine countries. There are also more positive changes than negative ones on “films”

Although it would have been thrilling to have seen a dramatic uplift in the UK’s scores following our highly successful Olympics, the rather more modest changes in the NBISM scores are, in their own way, just as significant.

This is a very important piece of research, and I am most grateful to the various HMG bodies for having made it possible: as far as I’m aware, the international image of a country has never before been properly researched, in detail, just before and just after a major event. It’s a significant contribution to the social sciences, and this fact should not be overlooked.

Up until this point, the impact of Olympic Games and other big events on the international profiles of their host nations has been a largely theoretical discussion: the media, the organisers, and various pundits have advanced a wide range of opinions on the benefits of such events, but no properly conducted, wide-scale, real-time research had ever been conducted to cast scientific light on the matter. Merely commissioning this study will help to prove that the UK is at the forefront of international understanding of the critical issues of public diplomacy and soft power (and it certainly provides us with valuable insights that we can share with Brazil and other future host nations so that they can calibrate their efforts in a less haphazard way).

One could hardly have asked for a better case study than London’s Olympics in 2012, because it was self-evidently such a successful event. If any event had the power to raise the profile or improve the image of a major country, surely this was the one that would do it.

And it didn't. The results clearly show that most people don't change their minds very much about already prominent countries purely as a result of a successful Olympics. This is of course not to say that hosting the Olympics has no benefits: but improving the image of the host country has not been one of them.

In November 2010, I was asked to give evidence to a Parliamentary Enquiry on the Olympics, and when asked whether Britain's international standing was likely to benefit from the Games, I replied as follows:

"There tends to be an assumption that if one simply has an Olympics and it goes off without a hitch, it will somehow, in heavy inverted commas, "brand the nation", making it more famous and more popular. My own view is that that is highly unlikely to happen with the UK, because its image is so very good indeed, and we are such a prominent country ... the chances of us putting on an Olympics so good that people think more about the UK afterwards, or improve their impression of it, are very remote ... I think there is a fairly good chance that, even if it's a success, it is not going to have any major impact on the reputation of the UK, because people already believe what they are going to believe."

This is not to argue that major events never have any impact on the images of their host nations: under certain circumstances, countries certainly can gain or lose profile in a much more significant way (although the impact is usually rather temporary), but Britain in 2012 simply didn't offer these circumstances.

Image change can happen to a host country that's little known but with a lot to offer (like Australia in 2000), in which case the Olympics can draw attention to the country and raise its profile. It can happen to a country with a rather negative image (like China in 2008) by reminding people of its more admirable aspects – in China's case, its culture, heritage, landscape, and its technical and organisational abilities. It can re-introduce a country that has slipped in the world's esteem (like Spain in 1992). It can also damage the image of a host nation that has overstated its level of development by unintentionally showcasing its poverty and inequality, as South Africa's World cup did in 2010, as India's Commonwealth Games did in the same year, or as Brazil risks doing in 2014 and 2016.

But for a country that is already extremely prominent, well known, well understood and well respected like the United Kingdom, the third most admired country on the planet, it is difficult to imagine that even a highly successful Olympics can do anything other than simply remind or reassure people that what they previously believed about us was correct. Perhaps only the Russians really undervalued or underestimated the UK prior to the Olympics, and perhaps the uplift in their scores after the Games shows that a small upward correction was possible and did take place amongst this valuable target group.

We had fun, we won a lot of medals, we put on a great show and gave domestic sport a big impetus, we may well have given foreign investment and tourism a bit of a boost, and perhaps most importantly it made us feel good about ourselves (although without data from the UK panel this can't be confirmed at the moment): but we didn't "brand Britain" to the rest of the world, simply because we're already so well "branded". We already occupied the position in the world's esteem that we deserve, and no correction was necessary, nor was any improvement possible.

I would argue that the event was still valuable, because as I have often said, a reputation is never something you own, it's something you rent, and that rent has to continue to be paid. During this Olympic and Jubilee year, we have paid a big instalment on our international standing, and this was well worth doing.

The other point I've emphasized again and again in my writing during the past fifteen years is that no single event really has the power to change international views of a country, views which may have taken decades to form, and are huge cultural constructs, not temporary media-driven phenomena: building influence is a relay-race, not a sprint. These Games provide a good platform on which Britain can gradually exert more benign influence in the community of nations, but the power and privilege of being able to do so doesn't come from a single episode or a single event: it is gradually earned over generations. We are moving in the right direction, but we need to maintain the momentum.

What really matters for Britain is not building our "brand image", but what we use it to achieve.

UK Highlights and Implications: 2013

- The United Kingdom has an exceptionally strong and well-balanced nation brand. It ranks 4th on five of the six indices and 6th on Governance
- The UK also enjoys a remarkably stable reputation, with rankings for the overall NBISM and all indices remaining unchanged since last year
- Of note, the UK saw a slight decline in its overall NBISM score compared to 2012. This is a pattern comparable for some other G7 countries such as the U.S., France, Canada and Italy, in a year of continued worries about the world's economy and regional security
- The UK has clear strengths on vibrant culture and intellectual power. This reputation for vibrancy is further enhanced by a rich urban life, offering exciting contemporary culture and creativity along with cultural heritage and historical landmarks. The UK's strengths on vibrant, contemporary culture and intellectual power are widespread. Its Exports prowess as well as investment opportunities are also widely acknowledged. Its cultural heritage, on the other hand, is relatively less recognized in the Latin American panel countries
- Evident in its strong showings as a destination for good business investments and as an export powerhouse, the business vitality adds to the appeal of the country. As a result, the quality of life and the desire of people wanting to live and work in the UK are also strengths for the country
- The country is also recognized for its competent and fair government, as well as its dedication to reducing world poverty and behaving responsibly for international peace and security. Yet, the environmental record, currently ranking 10th, needs to be improved
- The UK has reputation deficits in the areas of beautiful landscape and welcoming people. In general, these relative weak spots are perceived by most panel countries. Yet, there are also some bright spots: panelists in Australia, Canada, South Africa, the U.S. and Sweden are more appreciative of the British people's welcoming nature; Asian-Pacific panel countries provide somewhat warmer opinion on the UK's landscape

Professor Simon Anholt- Supplementary written evidence

- Looking across the panel countries, we see that Turkey and, to a lesser extent, Argentina are constant critics of the UK. At the other end of the spectrum are the U.S. and South Africa, which provide consistently high rankings to the UK

With such a strong and stable international reputation, the UK's image-management tasks remain very focused and very specific: to continue to work on those countries (such as Turkey, Argentina and Brazil) where the country's reputation is weakest; on those areas of its reputation where it is least admired

(such as the natural beauty of its landscape and especially its perceived contribution to the environment), and in ensuring that any threats to its reputation are speedily and efficiently addressed.

Of course, as I have often observed, no country ever owns its reputation, it merely rents it, and the rent must continue to be paid. A successful Olympics, a jubilee year, a royal wedding and a royal baby add up to a big down-payment on the country's image, but countries which value their reputations need to be obsessive about asking "what do we do next?"

In a period when the issue of Britain's international influence is under much discussion – the current House of Lords enquiry into 'soft power' is one illustration of this focus – it is important that Government clearly understands that the image of the UK is no trivial matter. Our good name is our licence to trade and to engage in a globalised world; it adds value to our exports, our investment and tourism and educational offerings, and it helps to maintain our status as a world power even if our economic and military clout are in decline.

For this reason, this is a good time to take careful stock of our instruments of international engagement, the means by which we engage with the rest of the world and project our 'soft power', whether this is in the domain of tourism, culture, talent, trade or politics. The United Kingdom, like most of its competitors, still has room for improvement in the way it coordinates these sectors: shared strategies, shared resources and shared objectives are all important steps on the path to putting the country definitively in control of its international reputation, rather than being at the mercy of the media, of events, of public opinion and public ignorance.

And every year, millions of children, especially in the developing world, reach adulthood with very little knowledge or notion of Britain. Our 'brand' may be in excellent shape amongst our traditional trading partners, our European neighbours and in most parts of the Commonwealth, but elsewhere in the world we are increasingly perceived as 'just another Western country' or 'just another European country'. How to educate the next generations of young adults in China, in Latin America, in East Asia, in Central Asia, to an awareness of Britain's meaning and value and utility in the modern world: that's the big challenge that Britain faces now and in the immediate future.

Dr Cristina Archetti, University of Salford – Written evidence

Dr Cristina Archetti

Associate Professor in Politics and Media, University of Salford²²

This submission addresses the role of new media (the internet and social media) and international news in the delivery of the UK's soft power. The following assessment is based on extensive empirical research that has involved interviews with diplomats, officials and foreign journalists (Archetti 2014, forthcoming; 2013a; 2013b; 2013c; 2012a; 2012b; 2011).

Soft Power, New Media and Diplomacy

1. *ARGUMENT: Despite the strong belief that new media can support public diplomacy in establishing a “global conversation,” thereby more effectively delivering the UK's soft power, I argue that this is not necessarily the case. There is no one-size-fits-all strategy to global engagement. Influence, even in the communication age, does not depend on the use of interactive technologies. The ability to exercise soft power rests rather on understanding the fit between the networks each diplomat needs to engage with, the communication tools actually used by these cohorts, and each local information environment.*

2. Digital communications are widely seen as tools to more effectively deliver the UK's soft power to increasingly diverse and dispersed audiences. The opportunities offered by new media—the internet but also social media platforms like Twitter—to directly connect governments to worldwide publics are said to be blurring the distinction between diplomacy (negotiation among official actors) and public diplomacy (communication between governments and foreign publics). In this sense, many have started talking about a ‘new public diplomacy’—where governments interact with a variety of state-, as well as non-state actors and audiences of citizens. One can also easily find references to ‘public diplomacy 2.0,’ and ‘digital diplomacy,’ not least on the websites of the British Foreign and Commonwealth Office and the American State Department.

3. In this highly interconnected world, where communication technologies allow individuals who might have never met to build communities of interest (like advocacy networks) across national borders, where physical borders and geographical distances appear to have been bypassed by the internet, one could be forgiven for thinking that only what is “global” and what happens in the ethereal world of cyberspace matters. What happens within countries in the very offices and along the corridors of embassies around the world, in the daily life of diplomats, is not important. This, however, is a huge mistake.

4. Examining the “local,” the way in which communication technologies are used and appropriated on a daily basis, not only by diplomats in the pursue of their countries' interests, but also by those the diplomats interact with, such as journalists, politicians and members of the public, in each specific national political and social context is essential to ¹⁰

²² Evidence submitted in the author's capacity as individual.

understanding how exactly diplomacy is evolving in an age of interconnectedness and how soft power actually works. Crucially, by examining the everyday dimension of diplomatic practices we can learn that, rather than being replaced by a generalized “communication of everybody anywhere anytime,” the delivery of influence and soft power is becoming increasingly multidimensional and, counterintuitively, selective.

5. To understand how the specificity of each local context affects the practices of foreign diplomats and where advances in communication technologies fit within this picture we need to understand the place of foreign diplomats, carrying out their functions of representation, negotiation, information-gathering and reporting back to their respective countries, at the edge between the national and the international dimensions.

Being able to make sense of what happens in the country they are working in is of paramount importance to diplomats. They need information. And they get it not only by meeting people, but also by consuming the reports provided by the media. Local media, in particular, has always been vital to their daily activities. As Phillips Davison (1974) wrote almost four decades ago: ‘The [national] press serves as the eyes and ears of diplomacy.’ Not only this is still very much the case, but through the multiplication of the opportunities for interaction (both face-to-face and mediated by technologies), diplomats have come to operate in what we could call a much broader “information environment” that they did in the past. Such environment is constituted by the networks of contacts spanning both the offline and online dimensions across which information is accessed, gathered, processed and distributed in the official, media, and public domain. Differently from a natural environment, which would be the same for all species living in it—the physical urban space of London, Beijing or Washington, for example—the information space is different for every single actor, as if each diplomat or embassy office inhabited a parallel dimension.

6. The way each diplomat operates in his/her own information environment thus reflects the specific goals and objectives of the respective embassy office. These goals, in turn, are becoming increasingly differentiated—an outcome of both developing international relations, but importantly also of the ease with which communication takes place among politicians across countries. A senior German diplomat in London I interviewed, for example, talked about an increasingly ‘ceremonial role’ for European embassies in the British capital over the past 30 years at the expense of their traditional hardcore ‘messenger’ functions. This is both because of the EU’s consolidation, particularly the fact that political leaders tend to meet regularly within the EU’s institutional structures and bodies, and the technical possibility of communicating directly: ‘If Germany had a problem with Paraguay, the foreign ministry would probably ask our ambassador in Ascension to see the foreign minister or to see the president or prime minister [...] and to deliver a strong message [...]. If the German government had a problem with the UK government, [...] the head of the Chancellor’s office would call the head of Downing Street, Number 10, and would say “look, Angela [Merkel] has to talk to David [Cameron]. Could we fix a phone call for two o’clock in the afternoon?” And the embassy would perhaps not be even aware of it.’ This explains the increase in public outreach activity by European embassies in London: ‘we are compensating for the diminishing role of traditional diplomacy by talking about our role in public diplomacy’.

Non-European countries’ embassies, instead, tend to retain to a greater extent the diplomat’s ‘messenger’ role. A Syrian diplomat in London, for example, commented that his function consisted mainly in being ‘a tool of [official] communication.’ An Australian source also confirmed the increase of an ‘advocacy function’ at the expense of information-gathering and relaying: ‘...we weren’t writing cables predicting who was going to win the last election [...] [Instead] we were saying, you know, if the Conservatives win, this is what foreign

policy may look like [...] Once upon a time you would have been sending a cable every couple of days saying “this is the latest” [...] You wouldn’t do that now because somebody could just go to *Guardian Online* or *The Times Online* and get that.’ The advocacy function consists of agenda-setting and lobbying through official contacts: ‘going down to Whitehall, trying to get the UK government to do things that we want them to do.’

7. Whether foreign diplomats want at all to engage with local publics, the extent to which they pursue such activity in case they do, as well as the communication channels used in the process—social media like Twitter, rather than an e-magazine, or a series of lunch receptions for selected guests—is thus the unique outcome of the match between each diplomat/embassy’s objectives—‘ceremonial’ function rather than ‘advocacy,’ for instance—with the information environment in which the diplomatic actor operates.

A pattern observable in the case of the London environment is that the lower the level of interest towards a foreign country in the mainstream British media coverage, the greater the effort by the respective embassy office at reaching out through alternative means of communications (social media, for example). Countries like Australia or India, in this respect, tend to receive extensive coverage in the British media because of their membership of the Commonwealth, their historical and economic ties to the United Kingdom and their status as former British colonies. Among the countries that tend to attract less media attention—mainly because they are, like Britain, all members of the EU and there are virtually no sources of tension among them—are Sweden or Denmark.

8. Such different levels of attention in the mainstream media translate into equally diverging outreach strategies and choice of communication platforms by diplomatic actors. The Swedish embassy (low visibility in British media coverage) tends to organize few press conferences. As a Swedish diplomat put it: ‘there’s too much going on in London and journalism is too fast. So, you know, people [journalists] may pop up for a press conference or they may not.’ The most important engagement activity, in this context, is rather targeted networking through face-to-face contacts at seminars and roundtable discussions led by the ambassador. The press office of the Danish embassy, to further illustrate the variety of communication channels adopted, among other initiatives, established in February 2010 the ‘Defence News, Danish Embassy in London’ Facebook page. The purpose was to enable the Danish embassy to tell the British public about stories that did not normally make the news in the mainstream media: to ‘actively tell the British population about Denmark’s international engagements; especially explaining the extensive and mutually respectful cooperation between Denmark and the United Kingdom in Afghanistan.’

9. Countries that tend to receive a great deal of official attention and, as a consequence, extensive media coverage, instead, are under less pressure to raise their visibility. This is confirmed, among the rest, by the fact that the websites of countries like the previously mentioned India, or Russia or Egypt (all identified as public diplomacy ‘geographical priorities’ for the UK), are rather basic when compared to those of less influential counterparts. The only exception is represented by the United States: despite receiving more coverage than any other country because of its ‘special relationship’ with the United Kingdom and its superpower status, it also uses alternative communication channels: a sophisticated website, a Facebook page, a Twitter feed and a YouTube channel.

10. The illustration of the variety of outreach strategies by the diplomats/embassies of different countries in London underlines the following points:

- a) There is no one-size-fits-all policy when it comes to identifying an effective communication strategy to deliver a country's soft power, whether it is diplomacy (in its narrow sense of official negotiation) or understood as public diplomacy.
- b) It is all very well to say that social media like Facebook and Twitter are useful tools in supporting soft power and a new kind of public diplomacy that is characterized by dialogue with foreign audiences. And indeed these platforms—in the right conditions and when used by certain actors in specific environments—will support the achievement of such a result. The outcome, however, cannot be a simple extrapolation from the characteristics of a technology. It is, instead, a product of the flexible appropriation of communication tools by each diplomat in adapting to a specific local information environment.
- c) British diplomats abroad should be trusted to identify which tools—whether “new” or “old” media, Twitter rather than a newsletter, a series of receptions, or even a combination of multiple tools—can best serve their purposes within the context of the interactions—with diplomats, officials, journalists or the broader public—relevant to the local context (also bearing in mind that the interlocutors might change over time).

Soft Power and International News

11. *ARGUMENT Foreign correspondents shape the image of the UK to the eyes of audiences abroad every day through their reports. As shapers of perceptions of the UK in foreign countries, these journalists can be considered influential gatekeepers of the UK's soft power. Because of this role, within public diplomacy quarters, there have been calls for officials to actively engage foreign journalists through “more access” to “high-level briefings.” I argue that such recommendations, while they make apparent sense, are in fact based on a lack of understanding of 21st century journalism. I propose different measures.*

12. Foreign journalists working in London shape every day the image of the UK to the eyes of foreign audiences through their reports. Just as what we see on TV or read in the newspapers shapes our understanding of issues and events that exceed the narrow boundaries of our direct experience, what foreign journalists report about the UK is often all publics abroad know about Britain. In this respect correspondents are veritable gatekeepers and possible influential agents of the UK's soft power.

13. The important role of foreign correspondents in the delivery of UK soft power has to some extent been recognized by policy makers involved in public diplomacy. An official review of British public diplomacy activities (Wilton et al. 2002 report) pointed out that ‘an article written by a foreign correspondent in London has a greater impact than any of our other public diplomacy outputs. Feedback from embassies, when asked to give views for this review, overwhelmingly identified more attention to foreign correspondents in London as the one thing that could improve our public diplomacy work’ (ibid.: 20). A later document (Carter 2005) again underlined the ‘multiplier effect’ deriving from the presence of ‘over 2,000 foreign correspondents based in London (the biggest single concentration after Washington) with the potential to reach large numbers of the UK's public diplomacy audiences overseas’ (ibid.: 52). Recommendations to make use of the soft power

opportunities offered by foreign journalists revolve around a greater engagement with this cohort. The British Wilton report (2002: 47) calls for the establishment of regular ‘high-level briefings’ and ‘better access...to ministers of all departments’ to ‘maximise the international impact of positive stories in the UK.’

14. Calls to improve the engagement with foreign journalists for more effectively promoting UK’s interests, however, are based on simplistic beliefs rooted in a lack of understanding of the dynamics of international communication in the 21st century, let alone developments in journalism in a fast-changing information environment. Here are the problems:

a) The first wrong assumption is that there is a defined group of journalists that can be targeted and “given access” in order convey the UK “message.” Nobody (including the International Press Officers at the Foreign and Commonwealth Office or the London Foreign Press Association) knows exactly how many foreign journalists are based in London. Full time correspondents who make a living out of journalism (not everyone manages to do so) are estimated to be about 500. The inclusion of stringers (occasional reporters) could make the number raise to about 2,000 journalists. Beyond the members/contacts registered with the London Foreign Press Association and the International Press Office, however, through the internet (blogs, Twitter, Facebook...) virtually anybody can nowadays become a journalist—a phenomenon referred to as “citizen journalism”—which leads to hypothesize the presence of potentially thousands of additional credible and influential communicators whose identity and whereabouts are completely unknown (they do not have offices or official addresses). Add to this the role of citizens who go about their everyday life and, by posting images of the UK or writing about their experiences, further shape the perception of the country abroad.

b) The second erroneous belief is that foreign journalists would almost automatically write what they are “fed” by governmental sources, as if they were some kind of information conveyor-belts.

The fact that the communication process between political actors, journalists, and the public does not take place in such a linear manner is not only related to the fact that, in our age, information is ubiquitous and there are myriads alternative sources of information than official ones. A linear communication process has never really existed. A study of foreign correspondents in London conducted over 30 years ago already observed that correspondents in London overwhelmingly relied on local media (not officials!) to write their reports. Robert Vansittart, who had the responsibility of dealing with the press during the tenure of Lord Curzon as Foreign Secretary in the 1920s remarked almost a century ago that ‘Every morning trouble arose on the telephone. “Why did you put that in?” He [Lord Curzon] did not understand that the modern journalists had sources of information other than the Foreign Office’ (in Taylor 1981: 16).

My analysis of the way journalism has transformed in the age of global communication confirms the tendency of foreign correspondents to re-interpret the information they collect. Rather than being driven to “churnalism” (the endless recycling of the same information available online, often originating from newsagencies) by tighter deadlines and fiercer competition to get first to the news, as many would claim, foreign journalists are under pressure to find unique angles for their stories. Gone are the days when foreign correspondents, as it did occur 50 year ago, simply translated what they read in the local media. Journalists are now aware that the public in their home countries can read *The Guardian* or *BBC News* online. If foreign correspondents want to keep their job they need to provide alternative perspectives.

c) The third false assumption is that all journalists somehow report about politics, hence the need access to ‘high-level’ ministerial briefings. Not only does the evidence gathered through my interviews confirm the reliance by journalists on an extensive range of sources, but also the analysis of the content of reporting shows that what ultimately becomes “news” is not just politics or foreign policy. What is newsworthy, in fact, depends on several factors. Among the rest, it depends on: the country for which a reporter is writing, particularly, in the case of this submission, on the country’s relationship with the UK; on the editorial needs of the media outlet for which the journalist reports; but it can also vary depending on the short-term developments of the domestic situation within the journalist’s home country. I could find, for instance, that journalists from EU countries tend not to be interested in UK domestic politics because, within the framework of European supranational institutions, this does not have dramatic consequences abroad. As a correspondent for a German public radio broadcaster put it: ‘American politics are [in this respect] a lot more important for Germans than British politics is.’ In addition to this foreign audiences are interested in different kind of issues. A Brazilian correspondent, for instance, made the point that the main focus of interest for his home readers/viewers is the economy. A Greek correspondent, instead, explained how Greek audiences are particularly interested in financial and society news. Editorial needs also affect the nature of the topics being reported. Magazines, for instance, favour topics that can provide stunning visuals (heritage, waterways...). The news agenda further changes along with events in foreign countries. Another Greek journalist, for example, described how the student protests of 2012 became newsworthy for audiences in Greece because they could be related (rightly or not) to the domestic unrest in the Mediterranean.

How to engage foreign journalists to support the UK’s soft power?

15. The main intermediaries between the UK’s Government and the foreign press, the International Press Office and the London Foreign Press Association, understand the new information environment and have flexibly adapted to communicate effectively with their members/contacts. The International Press Office, for example, painstakingly updates its mailing list of the transient journalists’ cohort through word of mouth—and old-fashioned but effective method. The FPA has recently cut the provision of a press room (which ‘nobody’ had been using over the last few years), having recognized that relying on a physical meeting place, when newsgathering happens mostly in cyberspace, is no longer a priority for its members.

The problematic issue is how to deal with those journalistic actors, thousands of citizen journalists and even members of the public, who are not part of these institutional networks.

16. Both official and non-official actors who want to promote their activities and interests should:

a) Bear in mind that they are not talking to “the media”: there is a whole army of citizen journalists out there, not only professional journalists.

b) Identify the range of interlocutors they intend to address their communication to: What media sources do they consume? Which communication tools are most suitable to reach them? Which other actors are the intended target audiences listening to? The key is to think in terms of networks (who do my interlocutors talk and listen to?) beyond the more myopic linear communication process (who is the receiver of my message?).

c) Make promotional/informational materials (possibly in different formats: text, video, images...) available online (before or at the same time of live events, not later). Officials still need, if appropriate, to be available for interviews and to provide press briefings. However, my research reveals a general reluctance of foreign correspondents (even full-time ones) to travel to events, especially in London. It is due to the combination of the sheer size of the urban centre (correspondents tend to live outside London while events are normally centrally located) and hectic routines (London is the most competitive media hub on this side of the Atlantic). Perhaps events could be streamed live on the web.

Conclusions

17. My research suggests that the prevailing mindsets both in academia and policy circles are based on outdated communication models. The very idea that soft power (mainly in the form of ideas or messages) can be “delivered” to foreign audiences indeed reflects simplistic assumptions about the way international communication works in the 21st century.

What should be understood is:

a) It is not possible to control the “message” and keep track of it, as a policy maker could hope to do in delivering a press briefing to a group of foreign journalists—a sort of “international media management.” While briefings are informative and useful, there is no guarantee that the desired messages will be picked up and reported in the same way as they have been issued. Communication processes in a highly interconnected world are not linear (a message being delivered from sender A to receiver B): receivers are simultaneously also senders of messages, there are multiple exchanges among many continuously interacting interlocutors, and messages are incessantly re-interpreted at each step of the communication process as results of such interactions, as in a series of feedback loops.

b) In this context, the basic values of the UK brand— such as rule of law, democracy and fairness, respect for human rights, a concern for sustainability and the environment to name a few—provide a dynamic framework to loosely (but firmly) guide all national actors’ discourse and behaviour. These values constitute the “brand platform” or, just in different terms, a national “narrative.”

c) The Government has a role in upholding such dynamic framework.

d) Even in the information age and the era of “soft power” it is not so much messages and ideas that matter, but the **CONSISTENCY** between those ideas (UK brand values/national narrative) and policy action. What is absolute key in establishing the UK’s soft power is not the effort at sending and controlling messages abroad—which is unfeasible and, as such, not the best use of resources—but at making sure that what the UK and its citizens (diplomats, businesses, members of the public...) do reflect the country’s values at home and abroad.

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18 September 2013

ARM, Penspen Group Ltd, PricewaterhouseCoopers (PWC) and Shell – Oral evidence (QQ 218-235)

Evidence Session No. 13

Heard in Public

Questions 218 - 235

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Baroness Hussein-Ece
Lord Janvrin
Baroness Morris of Bolton
Baroness Prosser

Examination of Witnesses

John Barry, Country Chair, Abu Dhabi, Shell, **Gilly Lord**, Partner, Head of Regulatory Affairs, PWC, **Stephen Pattison**, Vice-President, Public Affairs, ARM, and **David Stanley**, former CEO, the Penspen Group Ltd

Q218 The Chairman: I thank our four witnesses for being with us; it is extremely helpful. This Committee is concerned with Britain's overseas influence and soft power—or perhaps it should be the other way round: our soft power deployment and our overseas influence. A formality is that you have in front of you a list of the interests that have been declared by the Committee, which perhaps helps you a little in knowing where we are coming from. We will have about an hour and a quarter of discussion and evidence. Can I begin with the brutal and basic question? I understand that Gilly Lord would like to make a statement—that is fine; do that—but can I just put a question before your statement, because you may all want to make opening remarks? In your opening remarks, give us a guide as to whether the soft power that is supposed to be a major asset of this country is helping you in your business. Or is there a more brutal pattern in which your efforts and merit are the things that decide, and the efforts of this nation to make itself attractive, persuasive, contactable and in good dialogue with the rest of the world are only secondary or maybe even tertiary? That is the sort of question behind your opening statement. I will start with you, Miss Lord.

Gilly Lord: Thank you for inviting me. I would like briefly to indicate how I might contribute to this afternoon's discussion. I am an accountant and a member of a profession. The concept of a profession is something that is unique to the UK and in my experience is respected outside the UK. The UK accountancy profession in particular has a great reputation around the world. Together, I see that as a very valuable source of soft power for the UK which we, the professions and the Government, should work hard to maintain.

Lord Foulkes of Cumnock: I did not quite understand that. Are you saying that accountancy is not a profession elsewhere?

Gilly Lord: No, I am not, but the concept of a profession arose in the UK, a profession being a group of people working together in a common activity with an overarching public interest, a code of ethics and education standards that allow entry. So that idea of creating a profession was something that we created in the UK. Our professions therefore are among the oldest in the world and command some respect because of that. The accountancy profession in the UK in particular is the oldest accountancy profession in the world and is respected around the world by other accountancy professions in other countries.

The Chairman: Can I stick to opening statements and ask Mr Barry next to tell us quite frankly whether the discovery and production of oil and gas around the world, and the processing and the sale of products, are helped or particularly hindered by the soft power qualities of this nation?

John Barry: Thank you, Lord Chairman. For 30 years I have been in the upstream part of the industry, the extraction of natural resources. Our clients, if you like, are Governments or national oil companies. It is incredibly important that there is a projection of the right sort of image beyond the company. In fact, when we think about how to secure new business, and these are quite significant deals or access to concessions, we think about having a good technical offering—that is the table stake; we think about a good commercial competitive offer. But in our analysis we also look to the political and the relationships, which are very often nothing to do with Shell but with UK plc aspects. Those relationships have been developed between members of Governments and national oil companies, through education, through visiting, through having properties in the UK, through admiring the BBC and so on, which I think is the definition of soft power that I have read in the literature of this Committee.

The Chairman: Just one codicil to that: is the fact that you are a Dutch as well as a British company an advantage or a disadvantage?

John Barry: My answer to this depends on where I am sitting. Since 2005, Shell has been a 100% UK plc, but we have a big office in the Netherlands. We are a UK plc.

Q219 The Chairman: Could I turn to you, Mr Stanley? I was informally telling the Committee earlier that I had encountered a great many of your colleagues this morning—or your former colleagues, because you have just retired, I think—who were much involved in ambitious and forward-looking investment and involvement in Iraq, which is a challenging market to put it mildly. What help, if any, are the efforts of this country to deploy its soft power in your business?

David Stanley: Thank you, Lord Chairman. We are a medium-sized business, so we do not have a huge interrelation at political levels of dynamics between countries, but using Iraq as a particular example, I am also a member of the executive committee of the IBBC and heard you speak at the conference there this morning. The Iraq Britain Business Council provides soft-power facilitation. That has been very instrumental in us being able to establish a foothold in Iraq, both in southern Iraq and Kurdistan, and has provided us with opportunities to speak to key people in Iraq, starting with Deputy Prime Ministers, and to develop relations. The soft power benefit for us is particularly in relationship development. Relationships are at all levels, but they are always personal. The perception of soft power by the person with whom you are developing a relationship varies enormously. It can be the BBC, it could be the Premier League, it could be all sorts of things. It is a matter of establishing common ground with those people, hopefully within the value system that we adopt as our company, which are British values.

The Chairman: Thank you. Could I just ask Mr Pattison to comment, the fourth in this opening scene, perhaps illuminating for us the range of activities and services of ARM, because you are a very familiar name as a company, but you cover such a vast range that it is difficult to get our heads around it sometimes.

Stephen Pattison: Thank you very much. Put simply, we design microprocessors. Those designs have found their way into a vast number of modern goods, primarily but not exclusively mobile phones. Our designs are used all over the world by a great variety of companies to build some of the most technological products of our era. Does soft power play a role in our winning business? The short answer is no, or at least not a very big role. Certainly, if I phrase the question along the lines of whether UK ideals and UK culture are a significant or major factor in our winning contracts, I think that the answer to that would have to be no. The main reason why our designs are so successful is that they are technologically superior and innovative. We have a business model that respects the clients in ways in which some of our competitors might be said not to do. There are of course elements which, if you stretch the definition of soft power, might contribute. The English language is one: it is a hugely beneficial advantage to us to be able to operate in the English language all over the world. There is something around Cambridge; we are based in Cambridge. Cambridge is a huge brand when it comes to technology. There is of course something around trust and reliability, which is very nebulous. If I come back to whether UK ideals and culture are significant factors, I think that I would have to say no.

The Chairman: That is a very interesting reply, particularly your touching on the brand element. As you say, very words like Cambridge thanks to its development in the past 30 or 40 years have become internationally resonant. I think that on this Committee we are somewhat stretching our view of soft power to cover your wider scene, and we do not expect you all to answer that you have closed a deal that morning because you are British and they like the British; it is not like that. That is certainly very important to us. I do not know whether any of my colleagues would like to ask a pursuing question on this opening scene.

Q220 Lord Janvrin: Thank you, Lord Chairman. Could I just explore the key question? We have slightly different views among you, which is excellent, about whether there are ways in which soft power is useful at the moment. Looking to the future in a very fast changing world, partly because of digital phones and all that, do you think that soft power may become more useful to you? We are very keen to look forward here rather than backwards about how you see the influence of some of these more nebulous factors such as national brand, trust, integrity et cetera. In particular, I was very interested in that opening statement from you, Miss Lord, about the importance that people attach to the British creating standards kitemarks et cetera, which I think lay behind your statement. Looking forward to the kind of world we are moving into, do you see soft power being more important in the future? That question is to everybody.

David Stanley: The digital world is a big factor even in straightforward engineering—we are in the oil and gas engineering business. We use training and education as one of our great tools to penetrate markets around the world. As examples, we put huge work into developing the MSc at Newcastle University. In the past two or three years, we have developed the first module of an MSc course at Northumbria University. The difference at Northumbria is that it is a distance-learning programme. We have been overwhelmed by the take-up around the world, by the hunger and desire to get into our education system. The digital world is remarkable in how it has provided that access. We do it not because it is a marketing exercise; we do it genuinely to share our competency and know-how. It set us up

as experts and a reference in our field. As a result, people who study those courses come back to you later when they come up against another problem, so it is a feeder of business for us. We have a number of cases where a course that we have run in Houston has led to an \$80 million, 10-year contract in Mexico for us. You do not know where it is going to go, but that education platform is enormous. I see the digital age as a massive enhancer of that.

Stephen Pattison: Your question is whether soft power is likely to play a bigger role in future. The answer to that is undoubtedly yes. It will have to play a bigger role if the UK is going to succeed. Let me explain. It is a cliché to say that the market is now global, but the market is global. Over the next 10 or 15 years, we will see a number of other significant countries attaining similar standards of technological development, something which my company is particularly interested in, and competing with us in the same marketplace. At that point, the UK's soft power could become a very important factor. It is obviously going to be crucial in attracting inward investment into the UK. I think that some of the broader things about soft power are hugely relevant: for example, the rule of law and the patent protection arrangements in the UK. These are the sorts of things that will attract business into the UK. However, I also think that soft power will play a bigger role than hitherto in British companies winning orders from overseas. We are a cutting-edge, high-tech company. I would like us to be able to say in due course that we come from a cutting-edge, high-tech country. That is a kind of soft power that I do not think Governments have entirely realised can provide a huge driver for Britain's economic growth and its continued competitiveness on the world stage.

Q221 Lord Forsyth of Drumlean: I apologise for being late. Could I just follow up on that, Mr Pattison? I am not quite sure that I understand what you are saying. In your earlier statement, you said that you thought that the fact that our having the English language and the brand educational advantage associated with Cambridge may be an advantage, but you thought your product was so far ahead of anybody else's that they would buy it anyway and it did not really matter. Is there another country where if you based as a company you would do better in tackling the global market than Britain?

Stephen Pattison: We ask ourselves that question quite often. We have chosen to stay in the UK for a whole variety of reasons. Whether some of these are soft power or not I leave to you to judge. One is time zone, which is very important to us. The other of course is culture. We are a British company. We were formed in Britain, and we remain loyal to Britain in all sorts of indefinable ways, but we could have a debate about whether we would be better placed to be on the west coast of the United States or even somewhere else. Right now, the UK is the best place for us to be headquartered. Looking ahead, I worry a bit about us and maybe one or two other companies from the UK surviving as exceptional British high-tech companies because the rest of the country is not looking at high-tech in the same way. That is what I mean when I say I think there is scope for the British Government to focus on how they can develop a soft-power image of the UK as a centre of high-tech excellence. That would generate more companies to do work here, which would have a snowball effect and drive growth.

Lord Forsyth of Drumlean: Forgive me for pursuing this. Is not our image as people who are frightfully good at being high-tech and producing brilliant ideas out of Oxford and Cambridge, which are then developed by the Americans?

Stephen Pattison: There is certainly that, yes. Part of this will be whether we can devise a way of turning some of those ideas into good, home-grown commercial successes.

Lord Foulkes of Cumnock: I find your answers very interesting answers, but I am still perplexed about why you are here, because this is taking up a lot of your time. Mr Barry has come from the United Arab Emirates. I do not know where the rest of you come from. You had to come through security, and you are spending an hour and a half sitting here answering our questions. Why? When you read that this House of Lords Committee had been set up and that this is what we are studying, what said, “I am going to go along to them and give them evidence. I want to do this, that and the other”. What motivates you to come along and to give us so much of your time? What do you want us to do? What do you want us to recommend? What do you want us to tell the Government to do, or other people to do? Mr Barry first perhaps; you have come a long way.

John Barry: If I may have a go at that as the Air Miles man, my day job back in Abu Dhabi is as the country manager. Because of the importance of soft power to a natural resources company, as I alluded earlier, quite a bit of my time is spent over there working with the representatives of Her Majesty, the ambassador and others. It is obvious to me that a reflection on how we can do this well into the future, and possibly even better, is worth my time—I happened to be here anyway, which was a happy coincidence—so I have no qualms in saying that this is important. I accept that there may be areas of industry where competition is purely on technical and commercial grounds, although that is certainly not the case for my part. What would I like to see done differently? There are many elements in my draft preparations for answers here, but in terms of facing the future it is not that we need more soft power but that we will need it differently, and it is good to be very self-aware going into that.

In a world that is more connected—one can think of the Arab spring and the demands for transparency, which are growing in places that were never there before—the UK can bring a lot. Some aspects such as transparency, ethics, and the Bribery Act, if well sold, play to our strengths and are easy. Sustaining our image as a high-tech country is going to be very tough. I have just come back from Korea, and I can tell you that they are very good at it and they are not shy about telling people. It needs self-reflection—I know this goes on in the corridors of government—and a way in which industry and government can draw their ties closer together so that it is not just me sitting with the ambassador out there but perhaps at this end a strategic relationship to help the Government in steering their way forward. Not all soft power is to do with government, I appreciate, but we are talking today about what can be done differently in this context.

Lord Foulkes of Cumnock: Gilly, what stirred you?

Gilly Lord: I had a shorter commute here, just 10 minutes, but I was still stirred. My business is about selling advice, people and services, so it is intrinsically linked to soft power and to reputation. If UK accountants stopped being regarded around the world as good accountants, that would be highly detrimental for our business. That is why it is important to me. The crisis of 2008, following which my profession among others was criticised, showed us how vulnerable our soft power is. In today’s digital world and with Twitter storms, it shows us how quickly it can be lost. So, again, why am I stirred by this? It is because, first, it is very important and, secondly, it is very vulnerable.

In terms of what we might do in the future, I talked at the beginning about the accountancy profession and about our creation in the UK of standards that are now used around the world. We started creating those standards in 1840. They are great and they have worked very well. However, the world is now changing, and we as a profession in the UK are beholden to allow those standards to evolve. If we do that and are creative and innovative, and if we come up with an audit model, say, that still works in today’s world, our profession

will continue to be at the forefront of the accountancy profession globally. If we do not, and if we stick with the models that we created in 1840, we will dwindle into irrelevance. That is really why I am here today.

The Chairman: That is a really interesting reply.

Q222 Lord Foulkes of Cumnock: I am terribly ignorant about the Penspen Group, so you will have to forgive me. What motivated you this morning? Did you say, “I’m going along to tell these Peers what they should be doing”? What did you want to tell us?

David Stanley: The principal driver for coming to speak to you today is that the environment within which we talk to our clients and hopefully win business from them is influenced enormously by soft power and the British message that goes across. Similar to the accounting profession, the engineering profession is also very well regarded, and British engineering is regarded very highly around the world. Endorsing and developing that environment—the legal framework, the finance framework, all those elements coming together—will make winning business for us much easier. We do not directly influence the legal framework of course, but we work within it and depend on it enormously, and it is a factor in whether we go into a particular country potentially to undertake business. Similarly, there is the ability to get paid. There really are very mundane aspects to it.

Lord Foulkes of Cumnock: They are important though.

David Stanley: Yes. All those drivers of soft power—the educational side and the cultural side—create a much better business environment for us to be able to do business in. That is the message that I wanted to pass across.

Lord Foulkes of Cumnock: I do not know whether Stephen wanted to say something, so I get a full hand.

Stephen Pattison: I think my answer has been borne out in the answers of my colleagues, but I am also here to try to shake out from the Select Committee’s work any complacent reliance there might be on what I would regard as an old fashioned notion of British power. We might think that all we have to do is teach English, make sure that we uphold the rule of law and we are home and dry, but it is not going to be like that. If you asking me what I want government to do, I have a whole list of things which I think not this particular Government but any British Government could do to make the UK a cutting-edge high-tech country. Some of it starts with using some of the great soft power things that we have. We can have a debate about the health service, but let us assume that the health service is embedded as part of the UK’s culture and ideals. As we move towards an ageing population, we will need financial as well as other drivers to look after the elderly more in their homes than in hospitals. That will require investment in remote health monitoring. It is a major challenge if you want to describe yourself as a high-tech country: can you actually do remote health monitoring for your ageing population? There are simple ways in which the UK could do this. The technology is already there, but actually we have been pretty slow.

I could go on with other examples, but my main message is that we need to think about soft power from a future perspective and not rest on our laurels.

The Chairman: Good. That is what this Committee wants to hear. That is a really useful message. I am going to ask Baroness Hussein-Ece to join in the discussion, and then Baroness Morris.

Q223 Baroness Hussein-Ece: Thank you, Lord Chairman. On your last point, I was going to preface my remarks by asking you whether you think there is a danger that we are resting on our laurels a bit, given what we have already heard and the fact that we have been

the world leader historically in key professions and with the English language and the BBC, all these things that we know about. Do you feel that we are lagging behind? We have heard a lot of evidence, and we hear constantly that when it comes to investment in some of these new and emerging markets in places like China we are still lagging behind. I was in Edinburgh this weekend at a British-Turkish forum with key businesses, with their Rolls-Royces, PA systems and all the rest of it. People had come from Turkey, and I was a bit shocked to hear that we are lagging way behind the French, the Germans and the Italians in investing in a big market like that. We were confronted with people from the Turkish side who were very smart and going around the world doing business in all sorts of areas. There was a feeling that we are not quite there. We are not engaging enough, and we are resting on our laurels a little, relying a little on things like “Downton Abbey”. All these marvellous things are very good, but we are not taking full advantage. I would be interested to hear your comments on that. Gilly Lord talked about how the accountancy profession had started off. Many countries have now caught up and are perhaps doing better in some of these fields. Are we looking a back a bit rather than forward?

The Chairman: Can I just add to that? Some people say that accountants rule the planet anyway, so we have to observe that with respect. Is our position that British accountancy standards are at the moment more or less globally accepted but that you feel that, with the pace of technology, this is going to change unless we move very quickly? Was that what you were saying?

Gilly Lord: I think that the UK accountancy profession today holds a great reputation around the world, but it is vulnerable. On your point, I do not think that we can rely on the fact that we have had a good profession for 100-odd years and assume that that will serve us just as well in the future, because it will not. Many of the things that we have done very well for the past 100 years are becoming less relevant today. Are we lagging behind? I do not believe that today we are. I shall share two examples that provide a counterweight. First, one thing that we are exploring at the moment in the world of corporate reporting is something called integrated reporting, moving away from pure financial reporting, where you reported on last year’s financial results, to something much broader that is forward looking and incorporates lots of different ways of measuring performance. The country that is most innovative in that space is South Africa, which is renowned for having lots of companies that have experimented with their accounts and done really interesting things—we might not like them all, but they are much more creative in that area. Secondly, I think about audit, which is an important part of the accountancy profession. In relation to audits of 30 September year end accounts, the UK was the first country in the world to radically change our auditing opinions away from the binary, true and fair view-or-not opinion to something much more subjective that tells readers about the audit process and gives them a much more qualitative view. In that regard, we are still world-leading, but we have to be if we are to maintain the soft power of this profession.

Stephen Pattison: Perhaps I can give you an example from Turkey of something that we are trying to do. Earlier this year, Turkey put out a tender for a large number of tablets to be used in Turkish schools—mobile tablets, computer tablets. We are very keen that that tender should go to a company that is using our designs. We do not make tablets; we just make the chips that go into them. So we are working with a company that makes tablets using our designs. In the world debate on using computers in schools, quite a lot of suspicion has been raised that companies try to dump a lot of computers on to schools that are not ready for them, particularly in developing countries—I am not suggesting that Turkey is a developing country. They are dumped on schools where the teachers do not know how to use them, where the kids are accessing dodgy material, where the power supply is irregular,

and where the thing does not really work. We are trying to put together an offering whereby we are able to go and say, “Here’s a company that makes a tablet. It’s great value for money. Our chips ensure that it’s very energy-efficient and, by the way, we’re also working with educationalists to make sure that the whole offering is coherent from an educational point of view”. Now, that would be hugely enhanced if tablets were the order of the day in British schools and we could say, “A lot of British schools have been there and know what this is like”. As it is, we are drawing on expertise that is Cambridge-based, with luck, but the studies have been done elsewhere. I hope that that gives you an example of why if we had a modern form of soft power—tablets in British schools—it would strengthen our case in trying to get tablets using our technology into schools overseas.

Baroness Hussein-Ece: Does that mean that you have put a bid in for the tender for these tablets?

Stephen Pattison: We are not bidding at all. We do not sell tablets. It will be a non-British company that is making a tablet using our designs—there are several actually—but the chances are that we will end up working with a Chinese company that makes tablets trying to get this sale in. That is a good example of soft power, if I can put it that way without treading on too many toes. If you are the Turkish Minister of Education, you might well think this is a good offering; you have a Chinese company making things relatively cheaply with a British company in the background bringing in a British expert on education. That suddenly looks like a pretty good package.

Q224 Baroness Morris of Bolton: I, too, apologise for being late. I rather like this idea of shaking us out of our complacency about British soft power. It is rather like our whole attitude to languages: the rest of the world speaks English so we do not feel that we need to learn another language. You said that you wanted to live in a country that is known to be high-tech. I take a point that John made: that the Koreans are not shy about telling people what they are doing. I wondered, again, whether there is just something in the British psyche. We are doing a lot of really exciting things, not just in Oxford and Cambridge but throughout the country, and I just wonder whether we do not tell the world enough about what we are doing. I have always thought that this is one of the big problems with soft power. It is below the radar, you do not tend to shout it, and it is not as visible as the hard power. I would like to think that it is not quite as woeful as maybe you think it is and that you might not have to relocate to California.

Stephen Pattison: Let me assure you that we have no immediate intention of relocating to California. The point is a very good one. Take, for example, last year. As you probably know, the British Government ran a GREAT Britain campaign to coincide with the Olympics. There were loads of posters. Some of them had technology pictures on them, but not all of them. The GREAT Britain campaign tried to cover the whole waterfront. It had a picture of a Cambridge college, and everybody was thinking, “Oh, that’s sweet; that’s exactly what you think of about Britain”. It did indeed have a picture of one of our designed chips and a picture of a prosthetic arm. These things got hideously confused. I went into a British embassy somewhere and said, “Have you got the ARM poster there?”. “Oh, yes,” he said, and the bloke showed me it, and it was a picture of the prosthetic arm. People are trying to do too much, actually. We need a focus on the technology bit, which is what I am here to try to say. There is a good story to tell. You are absolutely right that people are doing very good things in Shoreditch, Cambridge, Bristol and all sorts of places, but it still does not add up to the popular global image that Britain is a high-tech country.

Q225 Baroness Prosser: I find this completely fascinating, but the reality in this country is that at the moment we are short of some 20,000 engineers. I do not lay the blame entirely

at the door of this current Government or even the one before, but the atmosphere in this country about that kind of education has not been positive for many years. What can you say to us that we should be saying in detail—not precise detail, but rather more meat on the bone—about how we are going to get over the kind of snobbish attitude that the country has towards the sort of education and training that lead into those fields? There may be a lovely picture of Cambridge, but that is academia. People think of Cambridge itself. They do not associate it with high technology. So we have this big gap. Everybody talks about the need for everything to be smart and new and whatever, but the funding for that kind of education is way behind funding for academic learning.

Baroness Armstrong of Hill Top: That is why they are in Newcastle. In the north-east, we still like engineers.

Baroness Morris of Bolton: And in Bolton

Baroness Prosser: I will have to shout for Shoreditch in a minute.

The Chairman: I had better call this meeting to order. These are very interesting themes. I do not know whether you would like to elaborate more on them.

David Stanley: Perhaps I may pick on the engineering source of future resources. It is an issue, although recently there has been a bit of a shift back towards engineering as a chosen career, at least perhaps more engineers who graduate staying in engineering rather than going into financial services or the lure of the City, which was really high. Engineers, being pretty numerate, were pretty attractive feedstock for that sector. That having lost some of its allure in last five years has made a lot of people think more seriously about what a serious career is. I do not mean that financial services are not a serious career, but if you were an engineer, that was one of the options. On the masters degree course that we have in Newcastle, less than 30% of the students are British, I am sorry to say. I was asked whether we are losing our position. In many countries—for example, in Mexico, in Thailand and in other countries where we work and have had to develop indigenous engineering capabilities—they are extraordinarily proud to be working for a British international company. They see it as an aspiration. We find it very easy to recruit engineers in that environment—unfortunately, they are not British engineers of course.

On the language side, we work in Spanish in Mexico and Latin America; we work in Thai in Thailand. Although we have to be able to communicate our work, our standards and processes in those languages, they adopt British values in the execution of that work and are extremely proud to be able to do that. To come back to the question whether we are losing our place a little bit, I think the answer is yes, we are falling behind. I am not quite sure how to stimulate more engineers to come into, in my case, the oil and gas industry and to get over the message that it is a really good career. It does not seem to drive many young people.

Stephen Pattison: On education, I think we all agree that we need more young people going into engineering. Statistically, kids who are most likely to go into science come from science-y parents. Therefore, if we are going to increase the numbers going down that route, we need to create different role models for them, because they are not getting role models from their parents. This is particularly true of girls and women going into engineering. In order to create role models for them, the key has to be teachers. Teachers need to see themselves as role models and champions. The traditional science teacher might not necessarily be the best role model. In fact, we are working with an organisation called Code Club, the main aim of which is to get kids as young as eight or nine to take an interest in computer coding. It does so through a very engaging piece of software designed in the

United States. Part of the thought is that you might get other teachers engaged in this, too. Suddenly, you have the cool teacher keeping—if I can use an old fashioned metaphor—one page ahead of the kids learning coding and bringing a whole lot of kids with him or her and being a role model for it. That would help. We should take that thought all the way through to university. One idea that needs exploring is more joint honours so that young people could go to university and study, for example, media studies with sound engineering, or fashion and computer graphics, so that they are not being asked to specialise artificially. Okay, at the end, they will not come out with quite such a high degree of knowledge, but then we employ people with two degrees in computer science and we still need to train them. Companies will always have to do some training. We are not asking for oven-ready graduates; we are asking for defrosted graduates at best. I think there are approaches to this, but it needs a bit of big-picture thinking.

Q226 Lord Forsyth of Drumlean: Mr Stanley, I do not mean to be personal or provocative, but looking at your CV I see that you are an engineer but have ended up doing banking, project administration, marketing and sales. Is that not because we no longer actually have a comparative advantage globally in heavy engineering? We all love the idea of bringing back the Brunels, educating engineers and getting back to what made us great in the 19th century, but is there not another reality? I should declare an interest in that I am a director of a company that has a big fabrication yard in Abu Dhabi, which Mr Barry will know very well. I see labour coming from India and elsewhere that is highly skilled and very competitive in its costs, and I question the idea that we can exercise some kind of revival of engineering as opposed to what we are good at, which is what you do: project management and pulling things together. Is that not where our comparative advantage lies, and should we not be concentrating on that rather than, at the risk of upsetting some of the other Members of the Committee, harping back to a past that is long since gone?

The Chairman: That is a very central question. I should just like to supplement it, because it is one of the key questions that we are going to ask you. Are we trying to climb Mount Impossible, or is there not a world trend anyway towards more and more sophisticated services in the context of the information revolution? Is that not a strength that we should rather gladly play to, while recognising that India is churning out hundreds of thousands of engineers and we can never keep up? It is the same question, and it is a very central one. To what extent are we fighting a trend and to what extent should we ride with the trend?

David Stanley: To merge the questions—

Lord Forsyth of Drumlean: The Chairman's questions are much more succinct than mine.

David Stanley: There are two aspects to this. Even though we establish engineering operations around the world to deliver engineering locally to where the demand is and use a lot of indigenous engineers in that work, it has to be led by British engineers. That is part of our marketing and representation. There is a marked difference in the general statement of the capability of good engineers from the UK. We have a wider, more lateral thinking process. We have a better adaptation to the client's requirements. We can put ourselves into the client's shoes and think about what the client really needs from this. Yes, he might have written a scope and a definition of the project, but that is not necessarily quite what he wants. We bring extra expertise to deliver those solutions. Perhaps Brunel was given a scope of work to build a railway to Bristol, but he did it with much more thinking, with larger radius bends so that it could take much faster trains than were thought about at the time he was building it.

My point is that there is still great strength in British education and British engineering and the thinking process which they develop that other countries do not have. We have that issue regularly with Indian engineers. We have a very large group of Indian engineers in our Abu Dhabi office, but we lead them with British engineers and our clients look for that leadership. They are very happy to have the lower price, which is the other factor in it: we cannot staff it with 100% British engineers because it is too expensive if we are going to win in a competitive environment.

To answer your question about why I moved away from engineering and more towards marketing—

Lord Forsyth of Drumlean: I was teasing you.

David Stanley: It is about the relationship, about the trust and the confidence that you build with a client by having the dialogue with the client about you and your company's competency. To be able to talk at an engineering level ends up with the client being confident that you and your company can deliver what he needs.

Q227 The Chairman: Mr Barry, is it all services nowadays? In 1982, our trade figures hardly mentioned services. Now we are told that they are 52% of our overseas earnings. Is it a service world that we moving into?

John Barry: It seems to me that when we look globally we have to have a slightly larger definition of services. Listening to the conversation about British engineering and British engineers versus others, it seems to me that one of the things that we can very usefully do, based on our strengths, is to help others to be good engineers. We know how to do it. We have the know-how. That is what we really bring to the party. We could take an engineer who comes out of a university in India and turn him into someone who can do useful things in the modern commercial world, and can do them globally. That takes us back to education and to free exchange, which is so important. We talked earlier about campaigns to sell our technical abilities and so on. They are worth thinking about. The GREAT campaign was good: the posters are still up over the road in Victoria Street.

On a smaller scale, the person who comes in to study for a couple of years or the people from Gasco in Abu Dhabi who came to Mossmorran in Scotland for a year to learn about health and safety engineering seem to me to be where we can really play strongly. That is what creates the aura that for me is the soft power that I can leverage. It is not all about having to do everything ourselves; it is about being open, about facilitating people coming in and out. On a hobby horse, I would love to see us declare visa-free entry for Emiratis before Schengen does it. That would really get some Brownie points, but that is an aside and I realise it is very Abu Dhabi-specific.

Q228 The Chairman: You are touching on an issue that concerns this Committee, and we are going to have evidence on it, so do not feel that you need to hold back on this. I will, if I may, turn to the next part of our discussion. What more can the government agencies and departments—HMG—do to reinforce your efforts? You are at the sharp end. Mr Pattison, dipping back into your past, you were, I think, part of the Foreign and Commonwealth Office and worked in Washington. Do you draw from that time any particularly precise views on what more could be done by government to reinforce your efforts? That is something that we are going to report on.

Stephen Pattison: As I have said earlier, I think that, at its broadest, the Government could more to establish the UK as a high-tech country. That would be extremely significant. If you are looking at what the various government agencies can deliver in this area, my own view is

that they do a reasonable job but that frankly it is a bit patchy. They are getting better but they lack expertise in high-tech, for example, and in how to present Britain's high-tech excellence. Too many agencies regard their main role as simply bringing two people into contact with each other, a willing buyer and a willing seller, rather than promoting an image of the UK as a place of high-tech excellence.

Lastly, more could be done to professionalise the skills of some of the people working in British government agencies, at home and overseas. That is not done simply by bringing in external people. My own view is that some Governments spend a lot of time bringing in external people, and it is a bit hit and miss. What is needed is a more significant effort to get the people they have, who by and large are pretty good, to focus on the sorts of issues that we are talking about today.

Gilly Lord: The area of the Government's domestic policies that is most relevant to my business is how financial services and professional services are regulated. I talked earlier about the importance of innovation and creativity to our profession so that we cannot rest on our laurels. We need to move our codes and standards forward. A very careful balance needs to be established between regulation and the absolutely apparent and fundamental need to make sure that our financial system is stable and secure, while still allowing people to innovate. That is the single thing for my profession that is most important for the Government in setting policy.

The Chairman: John Barry, would you like to add to that?

John Barry: Yes, a couple of things. One was triggered in the pre-read by the reference to the Commonwealth. I found myself wondering why the Chinese have made such inroads into Africa, which ought to be our natural playing ground and indeed was for many years. If we think about how we can fix that, we bring different things to what the Chinese bring. We bring sustainability. We bring transparency. There is a role for building into the Government's narrative, through the Commonwealth perhaps, the reason why it would be better to be with the British. We should not be ashamed of doing that, in a non-arrogant fashion of course. There is something in that big picture in how we can leverage the Commonwealth.

Then there is consistency. Many countries that do not have a turnover of government every five years wonder whether we are good partners for a 30 or 40-year typical oil and gas project. An example that comes to mind is the statements that are being made around the European Union. Are we in? Are we out? Do we like it? Do we not like it? If I was a partner looking at the UK, either to invest in or potentially as someone to partner with, I would be wondering about things like that, and I would like to see evidence of a Government having a real long-term view when it comes to these commercial matters.

Finally, it is very good that we see government now making efforts to travel around the world and often to take industry players with them and so on. We see a lot of these very good missions. I would just urge that they are sustained. It is, in the end, all about relationships. I think one of you said earlier that they are personal, and I do not think it is good enough to say, "Right, we can tick the box now. We have done Indonesia". You actually have to work at these things at all levels and keep going, and the rewards come in the somewhat longer term.

The Chairman: I cannot resist asking this. Should we be working with the Chinese? Should we be advising them with the services of how to get on in various parts of Africa, because they have not always been very successful?

John Barry: That is very profound, is it not, Lord Chairman, because in fact different countries are good at different things. We alluded to that in the engineering conversation earlier on. Maybe there is scope to do more together. I see that the Chinese will take over from the Koreans, who took over from the Japanese in engineering construction, and we will be working with them because we will be designing the clever things that they are probably the best placed to build in the end. Perhaps that is an analogy that we can use as well.

Q229 Lord Janvrin: I wanted to follow up on the point that I think you made, Stephen: that government agencies need better focus. From where you sit, and given that you have sat inside as well as outside the government machine, do you see a need for a much clearer strategic view from government in this whole area of soft power? Do you think that that is actually possible, having worked from within?

Stephen Pattison: Is there a need for it? Yes. Is it possible? That is a separate question, I think. No one has said this, but some of the questions about Africa touch on this. There are reasons why the Chinese are successful in Africa and why Britain has not been successful in Africa. It is not because we lack the companies that can go and do it, it is because we have a bit of baggage in Africa. Some of it is historical, some of it is ideological, and so on and so forth. If you are looking at the British role in this area, and you are talking about soft power, it is conflicted. On the one hand we are asking whether we can do more to promote British commercial interests. On the other hand, we are asking whether we can do more to promote other values that might not necessarily support British commercial interests. Let me say, for example, because it is well known, that the present Government's decision to receive the Dalai Lama resulted in an 18-month or two-year freeze—whatever it was—in UK-China relations. It has only just recovered in a sense with the recent trade missions by the Chancellor and the Mayor of London. That is a trade-off that you have to make in arranging your foreign policy priorities.

The Chairman: It could be a trade-off between the short term and the long term, could it not?

Stephen Pattison: Yes.

The Chairman: Occasionally, things that are painful in the short term win out in the long term.

Lord Forsyth of Drumlean: Are you right about Africa and baggage? Is not the reason why the Chinese have done very well there that they have something that we do not have, which is loads of money, which they spent on infrastructure, roads and all kinds of things that have been welcomed with open arms?

Stephen Pattison: That is part of it, too. They have loads of money and loads of people. They send their own people, who live in their own villages, and they get on with it and do it.

The Chairman: I know that Mr Stanley wants to come in on China as well.

David Stanley: We have worked with the Chinese for about 15 years, not in China but outside China. They were looking to undertake an EPC contract, in Abu Dhabi actually—the Abu Dhabi crude oil pipeline, which is a very big pipeline across Abu Dhabi—to bypass the Straits of Hormuz. They recognised that they were not able to do the engineering and the project management in a manner that would be acceptable to the Emirati client, and they appointed us to do that for them. We had already worked on other projects with them, and we continue to work with them in that area. You could say that that is perhaps a short-term horizon, because they will learn how to do it themselves, but we ring-fenced it. Of course they will learn a lot from it, but we are confident that we will move further forwards ahead

of the pace at which they can do that. If we did not do it, someone else would have to do it. We are in business to do business, and as the opportunities come up we take them.

Q230 Lord Foulkes of Cumnock: This has been really helpful, and I must say I find it fascinating. I want to help you with another question. I am glad you said that we should not be complacent and look to our past, because I agree fully with that. Currently we have lots of great engineers; Mr Dyson is one of them. We have people building airports out in China who are doing a good job, and we have great artists, wonderful authors and great musicians—and I do not just mean One Direction, who we were talking about earlier, but lots of others. I am looking for a silver thread that joins them all together, a theme. I do not like the Great Britain theme. I think that “Great” implies imperialism, that we are better than you. I personally prefer Cool Britannia, but that might be too Blairite for some of my colleagues. I just wondered whether you could help us. Is there something that links it all together, that describes Britain—and I mean Britain: England, Scotland, Wales and Northern Ireland—a phrase or something that can link it all together.

The Chairman: It is a very difficult question.

David Stanley: You are asking a physicist and an engineer to do marketing. We have tried in different ways to capture and bottle that and to get a simple message across, but even in your description of it you covered a lot of areas. To try to get all those distilled into a succinct expression is extremely difficult. In fact, Britishness is the only generic word that captures all those values and excellences that you touch on, the music scene being one of them. There is also drama, the arts—all sorts of areas that are amazing. There is huge talent here.

Lord Foulkes of Cumnock: Gilly has an idea.

Gilly Lord: The thing that is most striking about your list is the thing that I would like to be the answer: I would love Britain to be known for its diversity, the fact that we can do so many of these things and the fact that we have this amazing multiethnic population, which should make us able to do business all over the world really successfully. For me, it is about diversity.

Lord Foulkes of Cumnock: That is very good.

John Barry: To me, if there is one word it is “open”; we are open to incomers and to ideas, and we are transparent in the way we do our business.

Lord Foulkes of Cumnock: That brings us back to visas as well, mind you. Open and diverse.

Stephen Pattison: This is not original, but to me it is about innovation and creativity. One Direction and everyone else are successful because they are responding to a demand, particularly among young people, and there is a great angle on innovation and creativity in Britain. If I had to choose one phrase, I would be looking for something like “New Britain”—something that gets across the fact that we are modern but that we rely on some of the old values: trust, respectability and so on.

The Chairman: I am going to jump back a bit, but you have touched a chord: innovation is the story. We mentioned government bilateral missions to China and so on. Is it helpful that X million Chinese people—the number was disputed—watch “Downton Abbey”? Is that the image that we want to get across?

David Stanley: It may create the link by which you can establish your relationship. I do not watch “Downton Abbey”, but I think I am probably the only one among those I ever talk to.

Whether it is “Downton Abbey”, the Olympics or the opening of Parliament, they are all areas where you can establish a dialogue, a relationship, some sort of values between people and the trust that emerges from it. Those are the foundations on which one can then hopefully develop business.

John Barry: In thinking about what is changing, technology, innovation and so on, we must not throw out the baby with the bathwater. There are things in our traditions that are incredibly important. I think of the royal family. For a significant subset of countries they are incredibly important in maintaining relationships at the top level. You will be aware that we secured a very important contract in Abu Dhabi in April this year, and I do not believe it is a coincidence that that was announced on the first day of Sheikh Khalifa’s state visit to this country.

The Chairman: So we could have the glorious paradox in a way that monarchy, which is an ancient institution, is leading us into the age of innovation and soft power in the future.

John Barry: Yes, and as one who is married to a French republican I still believe that the royal family give us good value in the 21st century.

The Chairman: Does the Committee have any other questions on this area?

Q231 Baroness Prosser: Mention was made earlier of the lack of arrangements in Africa being possibly to do with the history and the baggage. That is something that people might debate for ages. The Chinese were there many years ago when we had the money to go in, so there is probably something in that. One thing that is said by people whom I have spoken with who have been working with the Chinese community is that innovation and creativity are not part of what they do. They are extremely hardworking and focused, but the idea of being innovative in the middle of all that is not something that they do, so I wonder what you think of the idea of diversity, innovation and creativity being labels that we can stick with and be very proud of and that separate us a bit from what is going on particularly, say, with the Chinese.

John Barry: Chairman, may I just comment that we have suggested several times without challenging it that our baggage in some Commonwealth countries stops us from being significant players?

Baroness Prosser: In some places it is lauded and people are very happy, I agree.

John Barry: What I am saying is that I think that our Commonwealth debate could include more of a business element. I do not think it is about neocolonialism; it is actually a very positive thing that we could build in in a number of those countries.

Q232 Lord Forsyth of Drumlean: We have talked quite a lot about what government could do, and there is still a bit of mist about exactly where the focus should be, but do you think that business organisations and professional bodies could be doing more in this area? I know that the CBI has come out with a ringing endorsement of the EU today, but do you think that organisations that represent business or the professional bodies could be doing more to promote this concept of soft power around the world, and if so, what?

David Stanley: Actually, if I may, I would bring UKTI into that answer as well.

The Chairman: Please do.

David Stanley: It seems to me that UKTI’s focus is very much on the big business opportunities that there are, and its support to SMEs is much less. As a consequence of that, it is covering too much in too many places. It has a certain number of companies that it has relations with in the UK and it focuses on them and what they are doing around the world in

an account management-type process. From a businessman's point of view, you segment your markets and identify in each market the strongest product or service that you might sell into it. It does not have to be specifically a pipeline or engineering product. It could be oil and gas in, say, Iraq, which is clearly the dominant part of its economy at the moment. It has a broad coverage. Even though there are many other opportunities than oil and gas, it is the dominant aspect—92%—of its economy. So dedicated or more focused support groups are needed, whether for industry sectors or for countries like Iraq, Britain or China. The China-Britain Business Council, which is an extremely effective operation, looks at much more focused delivery to the businesses in Britain and the opportunities that there are in those places. There are several ways of cutting that cake. One is geographical, through the Britain-and-other-country organisation—a dedicated structure—which helps the businesses to solve the issues of how to do business in those countries, how to find out what the opportunities are and how to get going there. The other, perhaps, is the professional cut or market sector cuts. Each one of those has a role to play. We cannot cover all of them, so like any business you have to choose those that are going to give you the best returns and decide on supporting them. At the moment in Iraq we have a UKTI operation, which is actually fairly small. We have the IBBC not duplicating—it is doing a different service—but overlapping. Why? We should be doing both.

The Chairman: I speak as an adviser to the British Chambers of Commerce. Could our chambers of commerce be more like the Germans', going abroad with massive delegations and programmes?

David Stanley: From my point of view, we have almost no interface with British chambers of commerce. I am sorry to say that to you. They do not provide any support to us in where we are trying to go. I see that as a massive development, if that is going to become the case.

Stephen Pattison: There are two problems with industry groups. One is that they tend to be very focused on companies that want to make sales abroad, so their agenda is driven very much by companies that want to win a particular contract. Secondly, all industry groups tend to be dominated by a handful of companies, so they are not very good at capturing the new companies. If we think that innovation and creativity is it, and that it is going to be in Shoreditch and with these other companies, I have to say that the traditional business organisations are not very good at representing that lot, so I fear that if we trust those organisations with the message, it will get slightly distorted. I am not sure that they are the answer.

Q233 Lord Forsyth of Drumlean: Is that not true of government organisations as well? My question was what could be done. You are right in your assessment of how good they are at it, but could they not be better at it? I am not just thinking of organisations like the CBI. I cannot think what they called, but I am sure there is an oil producers' organisation, and there is the Institution of Civil Engineers. All these bodies have a very grand history. We were talking earlier about the expertise in British engineering of pulling things together. Are they busy promoting that around the globe? Do they need help to do so?

David Stanley: They are doing it, but I think that there are fears of treading on other toes. There are parallels. UKTI is doing some of it; the offshore gas engineering group is doing it—groups like that—but there is no co-ordination between them.

Lord Forsyth of Drumlean: How could this be fixed?

John Barry: I wonder whether there is a catalyst role for UKTI, although it clearly cannot do everything. In my own neck of the woods, I see the Institute of Chemical Engineers doing a great job of reaching out to Emiratis, offering all the things that they would offer to young

engineers anywhere. That anchors the British connection in the mind for the rest of your career. I see other institutes that could perhaps learn from that. I am afraid that I do not have a solution, but I see that some best practices could be adopted. In terms of business groups in country, Lord Chairman, you referred to a German chamber of commerce. I look at the American Business Council in the Emirates. It does it properly. It has four people working for it. It has an office in Washington DC. All too often, we tend to be very hard working and well meaning amateurs and to under-resource these sorts of things. I think that big companies, and maybe even medium and smaller ones, would come up with some funds if the opportunity were there. This is not high on our agenda every day, so we do not always drive these things—it needs some crystallisation—but we need to put more resources into these things and do them more professionally.

Gilly Lord: I would like to comment on the activities of my professional body, which is ICAEW, the Institute of Chartered Accountants in England and Wales. That sounds by its title a very parochial and very UK body, but it has been impressive in how it has responded to change over recent years. It has about 140,000 members, more than 20,000 of whom are overseas. More than that, the great thing that it is doing at the moment is working with many emerging economies to help people establish their own accountancy profession. Rather than saying, “Please come and join our accountancy profession because it is so great”, it is helping them to work out how you do it in your own country. It has done it in Botswana—I have my list here—and many countries around the world. Coming back to one of the things that we talked about at the beginning, establishing relationships and an affection for the UK, I think that is very powerful.

Q234 Baroness Armstrong of Hill Top: I have done quite a lot of work through different organisations in Africa. Oil and gas are now very important in east Africa. In Tanzania, they are anxious about how it is developed. They are a bit anxious about us being top-heavy in telling them how to do it. How do you go in in a different way? Your company’s experience in Nigeria has not exactly been a model that people have been able to use elsewhere. I know that there are all sorts of myths around it, but that is how it comes across to them. I have come across your organisation in Africa. I have also come across the organisation of public health workers and that of the people who sort out sewerage and waste. A lot of people who have retired go and do that work for nothing and translate British values around those things enormously. I spoke to a woman MP in Tanzania who had her house burnt because people thought that she was being too friendly to the oil company and that they were doing deals above their heads. It was all myth. What do you think this country needs to do in those developing economies and areas where there is anxiety about the great white country coming in and telling them how to do it, and exploiting them?

The Chairman: Sounds like one for you first, Mr Barry.

John Barry: I have lived for three and a half years in Nigeria. I confirm that it is a very complex situation. Probably the Nigerians would be the best advocates for working with a company like Shell.

Baroness Armstrong of Hill Top: A lot of them would be, I know that.

John Barry: But we are not here to discuss that. I cannot help but come back to this idea of openness. Everywhere I look around the world in my business—when I look at the fracking debate, the Arctic, Nigeria—I see that one gains people’s confidence not by trying to be clever and rushing things through but by being open and showing what things really mean, and being very honest about challenges and problems, if there are any, and how they can be managed and mitigated. I do not know the situation in Tanzania very well—it is not an area I

have worked on—but as a general principle I would say that there is no substitute for actually inviting people around, showing them how you do things, being very honest and working with people whom they trust, be it academia or other institutes. You should not pretend that there is not a problem.

Q235 The Chairman: Would any of the other three like to comment on this final, enormous issue? It is very central to our thoughts, but we do not have much more time. Is all the great capital investment coming from the old capital sources of the West, or has that world changed as well?

Gilly Lord: I would like to add one comment that builds on your comment, Mr Barry, about openness. Transparency is hugely important. The relevance to my world is that, much of the time as accountants, we think about reporting profits and pounds and dollars. In fact, what we need to get much better at is reporting a much wider impact. If a company is doing business in Tanzania, yes, we need to ask what profits they might earn, but we also need to ask what they are doing for the local community, what they are doing for the environment and whether they are having a positive or negative impact. I think if we can become much more transparent and rigorous in reporting that much wider impact, I would hope that we would help the kind of situation that you described.

David Stanley: On the Tanzanian question, Penspen started business in Kenya about 30 years ago and we developed the Kenya Pipeline Company. It started from just a consultancy project where we were asked to look at the feasibility of developing a pipeline to bring products from Mombasa up to Nairobi and on to Uganda in subsequent phases. It has gone wrong in recent years. Corruption is a very big factor and creates the accusatory, adversarial environment which I think you are now talking about in Tanzania. I do not have a ready solution, but open consultancy and offering expertise that in a transparent and fair manner might lead to the ability of local politicians or decision-makers to realise that they have the right solution and here is the right way to go forward with it.

Stephen Pattison: A last word on this point, which ties into soft power. Business could do more, because it is not very good at it, at getting across the message that business is a force for good, wherever it is. In the UK, we are very well placed. We have some terrific companies. Unilever is leading the way in sustainability. We have a product that can help ICT infrastructure reach most parts of developing countries at low cost. There is a good story to tell; it gets blotted out by the less good stories that dominate the newspaper headlines. If I were looking at soft power strategy for the UK, one of the things I might factor into it is business as a force for good.

The Chairman: That is a very good note to have. We have hit a lot of nails on the head. We would like to go on, but we do not have time. I am personally thrilled because of my interest in the reference to the Commonwealth by Mr Barry, which I think is a great soft power network, but that is for another session. We thank you all very much indeed for an extremely illuminating session.

Asia House – Written evidence

We welcome the Select Committee's efforts to understand how the UK Government might develop and employ better the country's soft power resources to strengthen the UK's influence abroad, and how the UK's soft power is extended and used by organisations. We appreciate the chance to be involved with this exercise.

Asia House's second name is soft power. Our aim is to bring the UK and Asia closer through activities and events focused on business, policy and culture. We are not a political body but hope to influence the development of national policy, education and social attitudes. We have strong views on the need to prepare the next generation in the UK for the reality of the world outside. Our particular responsibilities relate to Asia. We are a charity operating without any contribution from public funds. We aim nevertheless to assist the positioning of the UK as an effective player in this vital region.

Asia House has links with some 40 individual countries, ranging, in our broad definition of Asia, from the Gulf to the Pacific. South and East Asia are naturally important in our programmes, but we pay particular attention to those countries and regions that are not currently represented or significantly reported upon in the UK. Over the last 18 months, this has included an emphasis on Burma, Central Asia, and the increasing importance of the ASEAN Secretariat ahead of community and economic integration in 2015. We have joined with parliamentary and trade delegates visiting Indonesia and hosted the ASEAN Secretary General and the Deputy Secretary General in the past 12 months. We have been represented at other ASEAN events in the region. Alongside conferences, roundtable discussions and business events, we provide opportunities for people to experience Asian cultures through film, literature, art, food and performance. We mount or host important exhibitions at Asia House of Asian visual art. These efforts are explicitly welcomed by Asian governments and commercial players as well as the Asian public.

The first component of soft power for Asia House is building and deepening the understanding of Asian societies and the way they function – objective understanding based on facts. The UK's national information base needs strengthening. This requires a coherent and cooperative effort.

Our second function is to use this understanding to strengthen economic success. Asia has 50% of world GDP. It will not be possible to export to or invest in Asia effectively, or to attract a sustained volume of inward investment in the UK, without a thorough grasp of the objectives, capabilities and mind set of the cultures concerned. This belief drives the many conferences (trade, energy, and environment) and briefings we run for our corporate subscribers. We have contributed also, in a small but significant way, by publishing introductory guides to Asian markets for SMEs looking to expand in Asia. Our Navigating Asian Markets series provide the market perspective alongside cultural guidance, to demonstrate that understanding the culture is central to commercial success.

The third function is to prepare the next generation to deal with Asia. Asia will be a big fact for them, impacting directly on their personal prospects. Our youth programmes reflect this perception. Broadly speaking there is a thirst among young people for knowledge of Asia. But this is not always focused or fed with useful information. Gaps in the UK's foreign

language capability are very evident. Australian Asian language programmes are in sharp contrast.

It should go without saying that to play a significant role in Asia we need to communicate effectively. English is an enormous strategic asset. But we cannot rely on English alone. Asian languages must receive closer attention in our educational system. Mandarin Chinese is now widely taught though not to a uniformly high standard. Our visits to British schools have revealed some imaginative solutions – and considerable gaps. We were delighted that, after some thought, the educational authorities decided to permit the teaching of further Asian languages at Key Stage 2. The study of Japanese, for instance, is an important contributor to that political relationship. Many of our contacts point to language study as the gateway to real understanding of, and successful grassroots operation in, the societies concerned. Similarly we detect a thirst in schools for a curriculum delivering stronger information on Asian countries and their cultures.

Opportunities in Asia challenge the UK to deploy its best soft power skills – reputation, education, and the contribution to international policy development. The Monarchy, the Armed Forces and the World Service contribute hugely to perceptions of the UK. The global standing of our science must be maintained. Creative thinking generally, not least in sport and music, brings enhanced reputation and leverage. The outcome of the London Olympics was admired in Asia as elsewhere. The popularity with Asian students of a British education, whether at school, university or research level, speaks for itself. Our universities are listed in Shanghai at the top of the world tree but this will only remain true while our leading educational institutions are rigorous in defence of independent thinking and academic standards.

Asia House goes with this grain. We work collegially. We aim to bring in new voices to develop a shared, forward-looking, position on the Asian future and our response, though specific roles cannot be allocated top down. We cooperate with leading think tanks and cultural institutions as well as government. We reach out increasingly to relevant partners, not only in Asia but also in the US and Continental Europe. We see the Asian Commonwealth and its traditions as a huge plus. We have evidence that our Asian interlocutors appreciate this perspective.

We are opposed to any narrowing of British attitudes towards open debate and engagement with the world outside. In all these matters the UK's reputation for transparency, reason in global problem-solving and a constructive tradition in international fora, is central. We need to be seen as an outward-looking and inwardly welcoming culture, conscious of our limitations as well as our record and our strengths. But it should indeed be our objective to help shape the international landscape.

Sir John Boyd KCMG
Chairman

September 2013

Association of Commonwealth Universities – Written evidence

Universities, scholarships and soft power

Background

1. This submission focuses on the role that academic activity, and in particular government-funded scholarships, can play in soft diplomacy. While appreciating that this represents only one area of the Committee's remit, it is an important one. There is increasing evidence that academic or scientific collaboration represents one of the most effective forms of diplomacy – as demonstrated by the establishment of major programmes in the field by the American Association for the Advancement of Science and the Royal Society in the UK. International scholarships represent a very personal manifestation of this, and one in which the benefits are starting to be quantified. The comments below include evidence of this from the three main scholarship schemes of the UK government.

The Association of Commonwealth Universities

2. Although based in London, and constituted as a UK charity under the patronage of Her Majesty The Queen, the Association of Commonwealth Universities (ACU) is a Commonwealth, not a UK, body. We are a membership organisation, with over 530 member institutions drawn from 45 countries. Encouragingly, at a time when the viability of some Commonwealth activities is questioned, membership is higher than at any time in our history. Our core (membership) income is approximately £1 million per annum.
3. The ACU is, in the terms of the Committee's inquiry, a 'non-state actor'. The ACU is not a government body, and it is not our primary role to generate influence for the UK or for any other country. We would draw a particular distinction here with the role of our 'sister organisation' the Agence universitaire de la Francophonie, which in 2012 had a budget of €37.1 million, of which €33.2 million came from government.²³ This difference in resources may make the Commonwealth look insignificant by comparison, but it is not a model that we would like to see adopted by the UK. We greatly value our independence from government, and emphasise that the promotion of the UK (or any other member state) is not our prime function. Nor, however, are the objectives incompatible; in many ways, 'neutral' fora such as the Commonwealth provide better opportunities for effective diplomacy than specifically UK ones. The ACU is marking its centenary year by launching an endowment fund to provide some permanent underpinning to our work. We hope that this will attract the support of the UK and other governments, on a one-off basis.

International scholarships and soft power

4. The ACU has, since 2012, been the only organisation to administer all three major international scholarship schemes of the UK government at the same time. Two of the schemes – the Chevening and Marshall Scholarships – are funded by the Foreign and Commonwealth Office (FCO), and have public diplomacy benefits as their main objective. The Commonwealth Scholarships are primarily funded by the Department for

²³ <http://www.auf.org/auf/en-bref/budget>

International Development (DFID), with modest support from the Department of Business, Innovation and Skills (BIS) and the Scottish Government. Total investment from government is substantial – around £42 million per annum to support around 2,500 individuals – although significantly lower than countries such as Australia (AUD 334.2 million in 2012)²⁴, France (€86 million in 2009)²⁵, and Germany (17,674 individuals supported in 2011)²⁶.

5. In recent years, the ACU has also sought to undertake groundbreaking work on behalf of these scholarship schemes to evaluate the impact of government investment in scholarships. As a result, we believe that we are increasingly able to discuss the role that these schemes play in pursuing public diplomacy and international development objectives, and propose some practical measures to improve this. We particularly welcome increasing recognition by government over the past decade that development and public diplomacy/soft power objectives can be complementary. Development scholarships have huge potential to further public diplomacy; public diplomacy scholarships also have a real impact on recipient countries.
6. For international scholarships to generate soft power benefits, two preliminary conditions must be fulfilled. First, the recipients themselves must have influence; second, they must retain their links with their home countries, where the UK is seeking to enhance its reputation. Both of these connections can be demonstrated. The anecdotal evidence of influence is strong. A list of former Chevening, Commonwealth, and Marshall Scholars is appended. Marshall, for example, can point to several alumni who have served in the Obama administration. In recent surveys, we have sought to move beyond reliance on 'star' examples to establish more general evidence. A survey of Commonwealth Scholarships alumni, for example, found that 45% of respondents had influenced government thinking in specific policy areas, and 25% had held public office.²⁷ 18% of Marshall alumni who responded to a recent (2012) survey had also held 'a political or public related post', and 37% had served as a board member or trustee of a charitable or public body. In sectors where comparisons are possible, award holders rise to disproportionately senior levels in their career – a claim backed up by income levels – and their scholarship is instrumental in gaining career advancement. All of this might be expected as holders of prestigious UK degrees.
7. Surveys of Commonwealth Scholars consistently show between 85% and 92% of former award holders living in their home regions, and around one-sixth of Marshall Scholars have studied or worked outside the United States. In both cases, there is strong evidence that these scholars return and build careers in their home countries, although the importance of this is being diluted by the increasing trend of 'global careers' during which alumni work in several countries. We would also emphasise that alumni not working in their home countries can still have significant benefits for the UK; many work, for example, for intergovernmental bodies or NGOs. A recent example is the current Governor of the Bank of England, who undertook his doctorate at the University of Oxford on a Commonwealth Scholarship.

²⁴ <http://www.australiaawards.gov.au/content/about.html>

²⁵ French Ministry of Foreign and European Affairs, *Receiving foreign students* (2010), p.5

http://www.diplomatie.gouv.fr/en/IMG/pdf/MAE_mobilite_etudiante_v_anglaise_web.pdf

²⁶ DAAD, 2011 Annual Report (2012), p.94 https://www.daad.de/imperia/md/content/presse/daad_jahresbericht-11-engl_120712b.pdf

²⁷ Commonwealth Scholarship Commission in the United Kingdom, *Evaluating Commonwealth Scholarships in the United Kingdom: Assessing impact in key priority areas* (2009) <http://cscuk.dfid.gov.uk/2009/06/assessing-impact-in-key-priority-areas>

8. Moving beyond this, soft power relations require a willingness on the part of the individual to retain relations with the UK. Our ability to quantify this is in its infancy, but the available evidence is highly encouraging. Commonwealth Scholarship surveys have broken down these links into several categories. 88% of Marshall survey respondents had visited (or lived in) the UK since their awards, and 30% had visited at least every four years. Around a quarter said that these visits were mainly for business purposes, and 59% rated business as at least equal with social reasons for their visits. Marshall has also started to examine financial contributions to the UK. 45% of survey respondents had made a donation to, or financial investment in, a UK institution since their award. The Association of Marshall Scholars (the US-based Marshall alumni association) is also playing an important fundraising role, while almost 200 former Commonwealth Scholars contributed to an endowment fund set up to mark the 50th anniversary of the scheme in 2009.
9. The detailed evaluation of scholarships remains in its infancy, and many of the findings above can be seen as *a proxy* for public diplomacy and soft power benefit, rather than firm evidence. However, the evidence does suggest that scholarship alumni have significant potential to influence the reputation of the UK, and clear willingness to maintain their connections with this country. The policy question remains, therefore, what can be done to *increase* the prospect of this happening in practice? In this context, we would make the following observations:
 - a. *Funding needs to be at competitive levels.* Although HMG invests some resources in international scholarships, we note above that this investment has not kept pace with countries that we might regard as ‘competitors’ both in public diplomacy terms or as providers of higher education. For example, China plans to increase the number of government scholarships offered to international students to 50,000 by 2015.²⁸ Although the process has not been even (DFID, for example, has recognised the value of the contributions that such scholarships make to development, and has consequently increased funding for Commonwealth Scholarships in real terms since 2008), support for all three schemes is significantly lower in real terms than at their historical peak.
 - b. *Branding is vital.* International scholarships depend largely on their historical reputation and prestige. This can take decades to build. In the UK context, alumni associate themselves directly with the Chevening, Commonwealth, and Marshall communities, as well as with the UK generally. In this context, the UK has three very strong international brands, which have been built up over 60 years. It is critical that all three are preserved, and resourced to a level that remains internationally competitive.
 - c. *HMG scholarships need to be seen as a coherent package.* Although we regard maintenance of the three ‘brands’ as critical, awareness of each, and coordination between the branches of HMG offering them, has historically been weak. This has, however, improved in recent years and we now sense a real desire on the part of FCO, DFID and BIS in particular to work together. Some practical ways through

²⁸ Yang Xinyu, ‘National Policy and Government Support for Student Mobility’, presentation at the Conference about Cooperation between European and Chinese Higher Education Institutions, 16-17 May 2011, Peking University, China (http://www.emeuropasia.org/upload/EMECW11/Conf_YANG_XINYU_CSC.pdf)

which this can be achieved – such as strengthening the UK experience for scholars and subsequent alumni programmes – are highlighted below.

- d. *Serendipity is inevitable, but can be managed.* Scholarships, like higher education generally, involve a degree of unpredictability. They are essentially an investment in high-quality individuals, with all the uncertainty that this involves. That said, ways can be developed to focus investment on specific sectors. Distance learning scholarships offered by the Commonwealth Scholarships scheme, for example, focus on targeted courses and sectors. Doctoral Commonwealth Scholars are known to go on to careers in academia in particularly high numbers. Candidates for Chevening Scholarships must have a minimum level of work experience. All three schemes have developed 'leadership' criteria for use in their selection processes. The Commonwealth scheme also maintains virtual 'professional networks' for alumni in related areas of work.
- e. *UK experience is vital.* For many years, surprisingly little attention was paid to the experience of HMG scholarship holders while in the UK. In recent years, there has been welcome recognition that the schemes can do much to improve this, and at the same time emphasising the connection of HMG with the scholarships. This experience needs to embrace many elements of British life, but an insight into the UK system of government should be prominent. There is much good practice here already – Marshall Scholars visit Downing Street, both FCO and DFID make ministers available to attend welcome programmes and other events, and some scholars will meet Her Majesty The Queen next month, while the Commonwealth Parliamentary Association annually hosts an event for Commonwealth Scholars in the Palace of Westminster. This is an area in which all three schemes are developing their work.
- f. *British Embassies and High Commissions have a critical role to play.* Just as the experience of scholarship holders in the UK needs to be actively managed, so does contact with HMG on their return home. In our view, this responsibility rests squarely with British Embassies. Once again, there is much good practice here, particularly within the Chevening and Marshall schemes; this has been less the case with Commonwealth Scholarships, perhaps because of the DFID funding base and lack of awareness. With the new desire for HMG to work together, however, we feel this is changing. Fundamental to this approach is the ability of the three schemes to provide posts with necessary information and contacts. A good example of this is the Directory of Commonwealth Scholars, which is updated online annually. Marshall Scholars also have a very tight network, highlighted by the staggering fact that over 50% of all those ever to hold a Marshall Scholarship answered a recent survey. In the case of Chevening, too, the many local databases are now being combined into a global one. It is likely that, within the next two years, we might even be able to produce a global directory comprising all three schemes. Such data is not only of use to Embassies and others in identifying individual contacts, but it also underpins our efforts to rigorously measure impact through surveys of alumni.

Soft diplomacy and the wider higher education context

10. This submission has primarily discussed the role of international scholarships and soft power. We now conclude with some comments on the importance of higher education

more generally. As stated above, there is growing recognition that academic relations are a particularly powerful tool of diplomacy; academics tend to speak the same language as their disciplinary peers in a way that is likely to survive short-term political circumstances. From the student perspective, we have also presented evidence above that higher education can affect individuals at a particularly important time of their life.

11. Immigration policy is significant in realising this potential. Immigration issues have generally been resolved for the HMG-funded scholarship holders that we refer to above – they receive additional help from the team at the ACU, they have greater credibility than most students, and, where necessary, we are able to draw on the support of Embassies and High Commissions. Anecdotal information from ACU members, however, confirms increasing concern about the UK as an accessible destination. Our experience of organising the annual Commonwealth Residential School for the first time in the UK this year reinforced our fears, with applicants from three countries (who had been chosen from some 200 applying for bursaries) being rejected. These decisions were hard to fault on the grounds of criteria supplied to UKBA officials; our bursaries were specifically intended to attract students without the means to otherwise travel to the UK, and who were thus seen as high risk. The inability of the UK to welcome such talent, even for a short period, is nonetheless of concern.
12. The final point we would like to make concerns outward mobility. Much has been said about the desirability of more UK students undertaking some part of their course overseas, and we would endorse this. Much of the focus of this debate (for funding and political reasons) has focused on Europe, but we believe that the Commonwealth – as a two-way organisation with immense diversity and extensive use of English – should not be overlooked as a channel for such activity. Nor should such activity be confined to the ‘developed’ Commonwealth. Although the vast majority of Commonwealth Scholarships are held (and funded by) the UK, the scheme has widespread capability to arrange awards (not funded by the UK) in other member states. Each year, UK candidates are nominated for awards in locations such as Brunei Darussalam, India, Malaysia, New Zealand, and Trinidad and Tobago. The number of countries is increasing – largely thanks to the anniversary endowment fund mentioned earlier – so that Commonwealth Scholarships now exist in Kenya, Samoa, South Africa, Sri Lanka, Swaziland, and other low and middle income countries. Sadly, however, the withdrawal of Canada this year has been a step in the opposite direction. We believe that developing a Commonwealth-wide programme in conjunction with other governments, but based on the foundations laid by the existing Commonwealth Scholarship and Fellowship Plan (CSFP), could be an important element of UK policy in the area of outward mobility, which would in turn contribute to public diplomacy objectives.

The Association of Commonwealth Universities

18 September 2013

The opinions stated above reflect the views of the Association of Commonwealth Universities alone, and not necessarily those of the HMG scholarship schemes or their funding departments which are quoted.

Appendix I: Eminent alumni

Chevening Scholars

Sergei Stanishev	Bulgaria	currently President of the Party of European Socialists; former Prime Minister of Bulgaria
Alvaro Uribe Velez	Colombia	former President of Colombia
Baldwin Spencer	Antigua and Barbuda	Prime Minister of Antigua and Barbuda
Anote Tong	Kiribati	President of Kiribati
Marek Belka	Poland	currently Head of the National Bank of Poland; former Prime Minister of Poland
Joao Miranda	Angola	former Minister for Foreign Affairs, Angola
Gega Mgaloblishvili	Georgia	former Prime Minister of Georgia
Wang Lili	China	Vice Governor of the Industrial and Commercial Bank of China
Bozidarka Dodik	Bosnia and Herzegovina	Supreme Court Judge, Bosnia and Herzegovina

Commonwealth Scholars

Dame Bridget Ogilvie	Australia	former Director of the Wellcome Trust, UK
Professor Germaine Greer	Australia	Broadcaster and author
Nicholas J O Liverpool	Dominica	former President of Dominica
Dr Michael Cullen	New Zealand	former Deputy Prime Minister; Minister of Finance; Minister of Tertiary Education; Shadow Leader of the House, New Zealand
Dr Kevin Lynch	Canada	former Deputy Minister, Department of Finance, Canada; Executive Director at the International Monetary Fund; Clerk of the Privy Council and Secretary to the Cabinet, Canada
Professor Elizabeth Blackburn	Australia	2009 recipient of Nobel Prize for Medicine or Physiology
Sir Ross Cranston	Australia	currently High Court Judge, UK; former Member of Parliament; Solicitor General, UK
Professor Atiur Rahman	Bangladesh	Governor, Bangladesh Bank
Professor Walter Woon	Singapore	former Attorney General, Singapore
Dr Kenny Anthony	St Lucia	Prime Minister of St Lucia
Dr Rolph Payet	Seychelles	Minister for Environment and Energy, Seychelles; Founding President and Vice Chancellor, University of the Seychelles

Association of Commonwealth Universities – Written evidence

Mark Carney	Canada	Governor, Bank of England
Alison Stone Roofe	Jamaica	Jamaica's first Ambassador to Brazil
Marshall Scholars²⁹		
Dr Ray Dolby		Founder and Chairman, Dolby Laboratories
Justice Stephen Breyer		Supreme Court Justice
Bruce Babbitt		former Governor of Arizona; US Secretary of the Interior for President Bill Clinton; 1988 Presidential candidate
Professor Roger Tsien		2008 Nobel Prize for Chemistry
Thomas Friedman		Pulitzer Prize-winning author; columnist for <i>The New York Times</i>
Dr Cindy Sughrue		Chief Executive, Scottish Ballet
Reid Hoffman		Founder and CEO, LinkedIn
Professor Amy Finkelstein		Winner of the Clark Medal for Economics

September 2013

²⁹ Marshall Scholarships are awarded to US citizens

BBC – Written evidence

Introduction

Joseph Nye, who invented the term ‘soft power’, defines it as ‘The ability of a country to get what it wants through attraction, rather than coercion or payment’, based on the deployment of intangible assets (institutions, ideas, values, culture and perceived legitimacy of policies) rather than physical resources (armies and treasuries). When effective, it is characterised by foreign countries or businesses choosing to associate themselves with the UK, whether in trade, diplomacy or even military activity.

The BBC is not a soft power ‘asset’ to be deployed at will by the Government. However, through providing global public goods, the most trusted objective international news services, and content which deepens knowledge and understanding, and is inspiring and entertaining, it is able to project positive values about the UK around the world, and enables the UK to accrue soft power, both geopolitically and economically. Indeed as the Secretary of State for Culture, Media & Sport, Maria Miller, acknowledged in her recent speech to the Royal Television Society, the UK’s Public Service Broadcasters play an important role in influencing the way that the UK is perceived internationally.

The BBC is one of Britain’s leading global cultural assets that enable the open exchange of ideas, information, and values among nations and so helps to foster mutual understanding. It is just as important that the BBC brings ‘the UK to the world’ as it is ‘the world to the UK’. The BBC’s contribution to the UK’s standing and reputation in the world sits alongside its support for the comparative advantage of Britain’s creative industries.

The BBC contributes to the UK’s reputation abroad through its global portfolio of services which encompasses:

- BBC World Service - the world's leading international multimedia broadcaster providing impartial news and analysis in English and 27 other languages;
- BBC World News – the BBC’s commercially funded 24-hour news and information channel;
- BBC Worldwide - the BBC’s main commercial arm in the UK and overseas supporting the BBC’s public service mission through operating linear TV and digital services, developing global product brands and licensing secondary merchandise; and
- bbc.com - which alongside BBCNews.com, offers high quality international news, business, features and in-depth analysis.

This diverse range of activities means that the BBC has a strong international presence, touching people across the world. BBC Worldwide’s 44 channels are available in over 406 million households across the world. Global News (comprising bbc.com, BBC World News and BBC World Service) reaches 170 countries, with an audience of 256 million people who consume it on a weekly basis. Recently bbc.com reached a major milestone – in August for the first time there were more than 1 billion page views of the BBC’s international website in the month.

At the heart of the BBC’s global effort is the desire to deliver the best possible output for our audiences on a UK and a global stage, and in doing so there are a number of ways that

the BBC, as an independent media provider, enhances the UK's 'soft power' - its strength, prosperity, wellbeing and place in the world.

- BBC News delivers a global perspective on the world free from national or commercial interest, and as result Britain gains geopolitically through enhanced global reputation, relevancy and respect.
- The BBC's global activities bring a direct economic benefit to the UK's creative economy, also driving growth in the UK's creative sector.
- The UK economy also indirectly benefits as the BBC's overseas activities play a key role in shaping the UK's global influence and positive reputation— enhancing Britain as an attractive place to visit, to study and to do business; attracting the world's leading talents in a range of fields; and promoting understanding of the UK's cultural variety and richness.

Our assessment of the BBC's role has been informed by conversations with a range of stakeholders. We include a number of their statements in the submission.

This global role is important for the BBC, and we will be spending a significant proportion of the licence fee on the World Service from 2014. The move from the Foreign and Commonwealth Office to licence fee funding distances the BBC World Service from perceptions that it has been an arm of government, enabling the BBC's role in promoting global values to be even more respected; and, as a by-product, increasing its value to the UK. The move also provides greater clarity and security of funding for the World Service (through to the end of the current Charter agreement in 2016). Looking ahead, and in order to make the most of this spending, we recommend greater clarity on Parliament's role to ensure an appropriate and proportionate level of accountability. In particular the BBC would like to better understand the following:

- The Foreign Affairs Committee has indicated that it will have continued interest in the World Service after 2014, but the Culture, Media & Sport Committee will be the parliamentary committee with oversight for all of the BBC including the World Service. What will be the potential mechanism of co-operation between the two committees to ensure that parliamentary interest is focussed appropriately?
- Parliamentarians periodically ask questions of ministers concerning the BBC World Service. Is it clear to which department (FCO or DCMS) such questions should be directed from April 2014?

Geopolitical impact of the BBC

I) The BBC plays a major role in enhancing the UK's standing and reputation in the world by providing a global public good in the form of accurate, impartial objective journalism, free of national or commercial interest, which in turn enhances British 'soft power'.

As the BBC Trust Position paper on the BBC World Service³⁰ states: *"The BBC World Service is editorially and operationally independent of the UK Government. Unlike some other international broadcasters, the objective of the World Service is not to advance the foreign policy of the UK Government.... This independence is highly valued by our audiences. It is an explicit role of the BBC Trust to ensure that the independence of the BBC is maintained and we will continue to fulfill that*

³⁰ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/consult/wsol/wsol_positioning.pdf

role with regard to the World Service.”

The BBC is consistently rated the most trusted and best-known international news provider, with CNN our nearest competitor³¹. In the words of Professor Joseph Nye:

"In the information age, when there is a surplus of information, the scarce resource is credibility – and credibility is established by being open and showing you are open, including being self-critical, and critical of your allies. If you can establish a reputation for credibility – and BBC has that, it is a pity to see it squandered."

The global media landscape in which we operate is competitive, but far from free. Around the world today, only one in six people lives in a country with free media. According to Freedom House, this is the worst media freedom rate in more than a decade.³²

Trusted news is especially valued at times of upheaval. In Egypt, The BBC audience quadrupled during the Arab Spring, and high levels of reach have been maintained since that time, showing an ongoing need for trustworthy, objective news. The BBC Arabic TV audience in Egypt is currently over 8 million. There is also a need for trusted news in developed, stable countries. In the US, there is a decline in trust for US news providers. American consumers value the distinctive international perspective offered by the BBC, which fills in a gap in domestic media.

Professor Ngaire Woods *"The BBC World Service has a long established global brand which is widely trusted as bringing independent analysis with reliability, depth, accuracy and global coverage. The BBC's capacity to deliver on this is powerful. When you look across the resources of journalism across the world, they are massively under threat - with newspapers cutting back and other media pushing particular points of view. The incredible gift of the BBC is impartial information - that is what people thirst for."*

a) The BBC provides a counter-balance to other large international media organisations, and creates impact in a far more competitive fragmented digital media landscape.

The last few years have witnessed media liberalisation in many countries and a dramatic flourishing of competition. A host of local commercial media outfits are entering the market. The power of international media as a vehicle of soft power is demonstrated by the increasing effort and budget that China, Iran and Russia are putting into their international media operations. However there is a marked difference in the values that are projected by international media such as CCTV, Press TV, Russia Today, Al Jazeera and Al-Arabiya and those of the BBC³³.

There have been many cases across the world in which BBC content has been dropped in favour of paid content from providers such as Voice of America (VoA), CCTV, and Voice of Russia. In the Arab world, Deutsche Welle, RT and CCTV are increasingly offering packages combining content, training programmes, equipment and in the case of CCTV and RT, hard cash. In African countries such as Kenya, Uganda, and Benin, there have been many

³¹ Source: BBC Global News Brand Tracker conducted by Kantar Media, December 2012 and other independent surveys

³² Freedom House, 'Freedom in the World' Annual Report 2013

³³ See Annex I for a Strategic Assessment of Global Competition between International Broadcasters [Not reproduced here]

cases of BBC deals being cancelled because of more lucrative offers from VoA, CCTV, and Deutsche Welle.

Digital platforms provide new challenges and new opportunities for the BBC to reach audiences. The ways that global audiences consume content is evolving, and the BBC has been at the forefront of continually innovating the type of content, the way we deliver it and the platforms we use. For example, in Burma, a country whose media is just opening up after decades of state censorship, BBC Burmese has recently launched a one-minute audio news bulletin for mobiles.

As well as the digital offer on BBC News online, and BBC.com, the BBC offers digital content in all its 28 languages. The largest portion of growth in the BBC Global News Audience in 2013 was from digital audiences, young people using their mobiles to discover the BBC, often for the first time. The BBC continues to invest in growing and understanding the digital dynamics of the global media market place. The BBC also reaches audiences on a host of social media. BBC Top Gear has more than 13 million 'likes' on Facebook. BBC World News has over 4 million Facebook 'likes', and more than 4 million Twitter followers. On YouTube BBC Worldwide's eight channels have attracted over 4,750,000 subscribers to date with Top Gear reaching the three million subscriber mark last month (August), ranking 76th out of the top 100 most popular YouTube channels

Yet this more complex media landscape is also more fragmented. In Kenya, for example, new radio stations in diverse languages are also broadcasting a more one-sided picture to their listeners. In India, there are over 800 TV channels; regionalisation and local language content is also making news increasingly partisan. The BBC is rare in having the capacity to reach all sections of society in often fractured countries, enabling discussion that can transcend deep divisions.

b) The World Service, alongside BBC Media Action, plays a significant role in post-conflict and fragile states such as Afghanistan and Somalia, deepening the communities' mutual understanding, providing a public good and thus indirectly benefiting British soft power.

The BBC reaches over 70 million people in the countries of high need (across Pakistan, Afghanistan, Nigeria, Egypt, Libya, Democratic Republic of Congo, Somalia, Darfur, Syria and Burma), on average reaching over 1 in 4 people in these areas of need. Our recent first ever survey in Somaliland and Puntland showed the BBC to have a very high reach of 63%.

Many countries, especially those affected by conflict, don't look to the BBC for impartial and trusted news only, but for platforms for independent and trusted debate and dialogue. BBC Media Action, the BBC's development arm, works with national partners as well as with the BBC to engage more than 250 million people worldwide.

For example, over recent months, the BBC Afghan service has broadcast a series of debate programmes, named 'Open Jirga', bringing together men and women across diverse communities across Afghanistan, to engage with national leaders such as President Karzai, a first for Afghanistan. Similar programmes designed to improve accountability and foster dialogue have been created (often with DFID funding) in countries including Bangladesh, Egypt, and the Palestinian Territories.

Professor James Gow: *“The BBC is the best easiest form of humanitarian assistance that can be provided after an emergency, giving people the best possible shot at truth, knowledge, and understanding. It is always important that the BBC is where possible, broadcast in places which most need it, which are challenged by peace and security.”*

c) The BBC also has big audiences in diaspora communities, in the UK and internationally, reaching communities who may have considerable impact on political outcomes back home. There are 0.3 million UK users of content in other languages including Somali, Urdu and Bengali.

d) Working through BBC Media Action and the BBC College of Journalism, the BBC builds the capacity of local media in many countries of the world, sharing our values of objectivity, accuracy and quality. Media Action supports training and capacity building programmes for journalists and media organisations in Africa, Asia, the Middle East, North Africa and parts of Eastern Europe. Training journalists and media organisations around the globe also provides the BBC with potential partners to enhance our newsgathering.

Set up by BBC Media Action in 2005, Radio Al Mirbad is Iraq's only independent radio station providing public service broadcasting. It gives communities in the nine southern provinces a voice and holds officials to account. In 2012, Al Mirbad launched its online platform, www.almirbad.com, with a presence also on Facebook, Twitter and YouTube.

This year the BBC has been working with MRTV, the Burmese state broadcaster, to improve the quality of information they provide to Burmese audiences. And we will continue to build the capacity of working journalists across the country to ensure that as the media opens up, they are prepared to report on issues accurately and impartially.

2) The BBC helps set the framework for global exchanges, providing the space in which people across different communities and cultures can have meaningful conversations. The BBC demonstrates (rather than advocates) free expression.

The BBC is perceived to be the embodiment of a culture that has a passionate commitment to freedom of expression. For example, following the Israeli elections, a BBC Persian TV discussion was broadcast between Iranians and Israelis, which couldn't be countenanced in Iran itself. Programmes like *World Have your Say* demonstrate and promote open discussion and debate, and challenging journalism. Following the gang rape of a woman in Delhi last December, our African services held discussions between men and women, breaking taboos and challenging stereotypes and attitudes.

Philippe Sands QC: *“What the World Service does is to offer people in a state of oppression a lifeline to a different set of values – and that is very significant”.*

3) BBC Monitoring observes and understands key media sources, enabling its customers, including the BBC and the British Foreign and Commonwealth Office, to make more informed decisions, and enhances the UK's relationship with the US.

BBC Monitoring shares insights with BBC News, including media analysis, which gives the BBC a special understanding of competitive media strengths. It also provides services for key government customers, including the FCO, Ministry of Defence, the Cabinet Office and the intelligence agencies, plus the commercial market. It has been working in partnership with the US Open Source Center since World War II on the basis of complete information sharing, product transfer and reciprocal tasking. This enables the partnership to cover 150 countries in 100 languages from 12,000 sources. BBC Monitoring delivers 800 stories per day, producing actionable information on news, events, opinion and media environments.

4) The contribution that the BBC makes through BBC Worldwide has direct economic benefits to the UK (see below), which also enhances the UK's geopolitical power. The BBC is one of Britain's leading global cultural assets that enables the open exchange of ideas, information, and values among nations and so helps to foster mutual understanding. Research indicates that countries with higher degrees of mutual understanding and trust invest and trade with each other more in both directions³⁴.

Direct Economic Benefits

The BBC's global activities bring a direct economic benefit to the UK by providing an international platform for UK talent and creativity. This in turn helps to build the reputation and awareness of the UK's creative industries thus enhancing the UK's soft power. There are several ways that the BBC's international activities generate revenues which flow back to the UK. For example by:

- Exporting programmes and formats and through secondary exploitation (DVDs, merchandise and partnerships with Netflix and Hulu);
- Establishing production bases overseas – which in turn bring revenues back to the UK;
- Attracting inward investment; and
- Generating revenues for the creative industries.

Exports

BBC Worldwide is the largest distributor of finished TV programmes outside the major US studios, with a catalogue of 50,000 hours, sold to over 700 international broadcasters and digital platforms. It supplies 44 channels internationally which are available in 406 million households, providing a shop front for a range of content that both entertains and inspires. In 2012/13 BBC Worldwide achieved headline sales of £312.3m including top selling titles, such as Africa, sold to 195 territories.

Establishing production bases overseas

The BBC is BBC Worldwide's primary production partner for content supply, sitting alongside output from BBC Worldwide's production houses and from the UK independent production sector. BBC Worldwide's Content and Production business generated headline sales of £151.2m in 2013/13 (compared to £135.5m in 2011/12), with particularly strong sales in new content and new formats produced by its productions houses in Los Angeles and France.

³⁴ Quarterly Journal of Economics, 2009, *Cultural Biases in Economic Exchange?* by Paola Sapienza and Luigi Zingales

Attracting inward investment

The BBC plays an important role in helping to attract inward investment. Taken together the BBC and BBC Worldwide helped to attract £32m of co-production funding into the UK production sector in 2011/12 from overseas broadcasters. For example, BBC Worldwide and Lookout Point brought together BBC, Mammoth Screen, HBO Miniseries, ARTE France, Trademarke Film, BNP Paribas Fortis Film Fund and Anchorage Entertainment to make BBC Two's acclaimed drama by Sir Tom Stoppard, *Parade's End*.

Revenue to the creative industries

Many of BBC Worldwide's activities lead to revenues flows to rights holders through upfront rights investment, profit shares and royalties. In 2012/13 BBC Worldwide returned £91 million to rights holders.

Indirect Economic Benefits

For the UK creative sector as a whole, the BBC's global approach maximises our national competitive advantage by raising the profile and reputation of the UK as the world's leading centre for media and the arts.

The BBC's global perspective, free from national or commercial interests, enhances the lives of audiences around the world, and also builds the BBC and the UK's reputation as a trusted and credible partner. With the growth of BBC Worldwide's own portfolio of BBC-branded direct-to-consumer channels and digital services, we are increasingly providing international audiences with carefully curated BBC experiences which **showcase a broad range of the UK's highest quality output and bring to life the full range of values and characteristics which together comprise British creativity**. By propagating British values and culture in its broadest sense, we seek to inspire and tap into the wider aspirations of younger audiences from around the world.

The BBC also acts as a **National Champion for the wider economy**, well beyond the creative industries.

Colin Stanbridge *"We do a lot of work in India, China, Far East, and South America, representing SMEs, who we encourage to market and who travel with us on trade missions. The World Service sets the scene very nicely. The SMEs don't have the brand advantage of large companies, and therefore rely more on the strong brand of the BBC. People in our markets know about the UK through the work of the World Service, which creates a vision of Britain, one based upon values of integrity quality and impartiality, that helps our companies to be more trustedThe BBC helps companies punch above their weight. I do believe that the work that the World Service does is a key driver promoting the UK brand"*

The impact of our global efforts also has a profound effect on our partners (including other important UK cultural institutions which lack the BBC's international reach), the rest of the UK creative sector and indeed the wider economy.

The BBC's portfolio of international services acts as a **platform and business enabler for partners from the British Film Institute and the Royal Opera House to UK**

independent producers. Partnership with the BBC enables such businesses and institutions to deepen their engagement with international audiences, maximise the value of their exports, and attract inward investment. The BBC is the only UK player in both the business-to-business and direct-to-consumer space which can offer these benefits to British content producers, brands and institutions. In particular, the creative sector benefits because of the dynamic market in commissioned programming that the BBC has helped to create.

A study³⁵ of business influencers across five countries found that the BBC is a frequent source of news and information for business influencers. Proportions saying they access the BBC most days (TV, radio or online) range from 22% (Turkey) to 70% (India).

These influencers were asked to consider the attractiveness of different countries as business partners. Great Britain ranks second to the US among the countries measured in terms of attractiveness (and well ahead of France and Germany), with 51% rating it 'very attractive' – but among those who access the BBC daily or most days, Great Britain's rating is much higher (64% 'very attractive'), and on a par with that of the US (65%). There is widespread endorsement among influencers of the idea that the BBC is a great ambassador for Britain. Nine in ten feel this way, with 49% strongly agreeing that this is the case – and even more (57%) among those who identify themselves as 'key' decision makers within their company. These key decision makers are also more likely to feel that the BBC is a positive influence in stimulating business with Great Britain, and that it reflects positively overall on Great Britain.

In its news services, the BBC covers culture across the globe, including the UK, where there is editorial justification. Our audiences expect us to cover what is happening in the arts and entertainment arena in the UK, because of its strength, creativity and originality. In the period April – July 2013, the BBC News website has featured stories on a host of BBC cultural institutions and their activities, including the Tate, Royal Opera House, the Royal Academy of Arts, the National Gallery, the Victoria and Albert Museum, the British Library, the British Film Institute, the British Museum, and countless articles on productions from theatres including The Royal Court, the National Theatre of Scotland, and The Theatre Royal Dury Lane.

During the 2012 Olympics, BBC global output featured a series of programmes and content in multiple languages with the strap line "London Calling" and "London- the city of 2012 brought to life by the BBC". The Olympics saw record-breaking traffic levels for Global News- driven by BBC.com/sport/Olympics. Olympics period saw highest traffic ever for: Afrique, Great Lakes mobile, Indonesia, Pashto, Persian, UK, China, and Vietnamese digital sites. In research conducted with the BBC Global Minds community, when prompted, more than two third of the users found the BBC coverage of the Olympics improved their perception of London and UK in general, and more than 80% of them said they are now interested in visiting London/UK as a result of it.

The BBC also contributes to promoting the English language, through the BBC English website and podcasts, and BBC World News which is available in more than 200 countries and territories across the globe. The BBC's English Language Teaching offering and the BBC content more widely continues to be used by teachers, students alike to enhance their education and build their English communication skills. The

³⁵ Human Capital, BBC Global News, International Research Report, February 2010

BBC Persian Service has also partnered with the British Council to produce *Word on the Street*, a TV drama adventure set in the UK, which is distributed internationally by the Open University in countries from Iran to Hong Kong, Uzbekistan to Columbia.

6) The BBC helps position the UK in its relationships with the BRIC countries, at a crucial moment in history when global power is shifting East and South. The economic activity of BBC Worldwide in these countries builds upon the reputation of the BBC, established by the BBC World Service.

In June 2013 BBC Brasil experienced a record in access to its desktop and mobile sites during the wave of protests in Brazil, driven mainly by Facebook and search engine referrals. The Brazilian audience may well have been weary of the coverage of private media in Brazil, perceived by many as biased, and therefore looked to BBC Brasil with its reputation for independent journalism.

Professor Rana Mitter “Since 2000, there has been a change in the global economic and political power structures and relationships. The UK is no longer as potent an actor, but rather one that has to react to new circumstances. Today we have this window of opportunity, a transition moment, when power is shifting, when the UK can assert itself, make itself relevant to the BRIC countries. The conversations between BRIC countries are becoming increasingly important, but still limited; there are only four direct flights between Delhi and Beijing a week. Five years from now, these opportunities will likely be closed.”

Annex 1: Extract from Shawn Powers: “New Players, New Directions: A Strategic Assessment of Global Competition between International Broadcasters”, December 2012, Georgia State University, Atlanta. Prepared for Director, Office of Strategy and Development, Broadcasting Board of Governors, USA [not reproduced here].

Annex 2: Supporting quotes and biographies

All quotes are from conversations with the BBC’s Emily Kasriel and have been approved by their sources for public quotation.

Professor James Gow

Professor of International Peace and Security, and Director of the International Peace and Security Programme at Kings College, London.

Professor Rana Mitter

Professor of the History and Politics of Modern China, University of Oxford. Frequent traveller to China and India and involved in many symposia.

“If Britain didn’t have the BBC World Service, it would want to create it, as illustrated by the lengths China and Russia are going to create internationally focused media. CCTV and RTV look to the BBC model – they want to be a widely respected news brand”.

“The BBC World Service brand continues to be one of the best known brands around the world, even in places such as China where reception and availability is often limited. No other international broadcaster comes close. This is particularly important at a time when Britain’s service skills such as

higher education and consultancy are at the forefront of its economic model. Having the BBC positions Britain as a country which handles information in a sophisticated and productive way.”

Sir Mark Moody-Stuart

Former Chairman of Anglo American plc, and the Royal Dutch Shell Group following a long career with Shell living in Holland, Spain, Oman, Brunei, Australia, Nigeria, Turkey and Malaysia, and UK.

“The World Service values of integrity and impartiality are important contributors to soft power and contribute to the maintenance of influence and communication with people in countries even when intergovernmental relations may be strained. In some way the World Service contributes more than the FCO to British standing, through delivering a unique service that your audience can’t get from anywhere else.”

Professor Joseph Nye

Distinguished Service Professor and former Dean of Harvard University’s Kennedy School of Government. A renowned global thinker, who is known widely for having coined the term ‘soft power’ in international relations.

“I understand the British government is looking to increase their relationships with the BRIC countries. The BBC plays an important part of that strategy – a point of entry that is not mistrusted - a point of entry to British influence. If you are a citizen in Brasilia or Beijing and you want to know what is true about a certain event which you read on internet, the BBC is the gold standard that you turn to.”

Professor Philippe Sands QC

A barrister in the Matrix Chambers and a professor of international law at University College London, he has appeared before many international courts including the International Court of Justice, and the European Court of Justice. He frequently acts for states, international organisations, NGOs and the private sector on aspects of international law.

Colin Standbridge

Chief Executive of the London Chamber of Commerce and Industry. He was Managing Director of Carlton Broadcasting, and worked at the BBC for 20 years.

Professor Ngaire Woods

Professor of International Political Economy, founding Director of the Global Economic Governance Programme, University College, and Dean of the Blavatnik School of Government. She has served as an Advisor to the IMF Board, to the UNDP’s Human Development Report, and to the Commonwealth Heads of Government.

September 2013

BBC – Supplementary written evidence

BBC culture website

The BBC Culture feature section on BBC.com was launched by BBC Worldwide in May 2013 - it is one of five non-news feature sections available on the website outside the UK. BBC Culture focuses on film, fashion, art and music and is a fusion of videos and images coupled with editorial content from a host of well-known and respected journalists and commentators, offering an alternative lens on global trends across the arts.

A section titled 'Big In...' features relevant and topical cultural stories from around the world as reported by the BBC's network of correspondents, as well as linking to content from other feature sections BBC Travel, BBC Future and BBC Autos.

The website has presented many stories featuring British cultural talent and institutions, using them as a starting point to explore wider questions. Some examples include:

- The V&A's *Club to Catwalk* exhibition was featured in a story exploring fashion's fascination with club culture.
- The BP Walk Through British Art Exhibition was covered in a story asking, *What makes British art 'British'?*
- Are 'feminine' looks the future of men's fashion drew upon London Men's fashion week.
- To celebrate 100 years since Benjamin Britten's birth, a piece recommended the best way for a casual listener to discover the magic of his music.

Cultural Diplomacy Group

First established by the British Council in 2010, the Cultural Diplomacy Group comprises senior level representatives from major UK-wide cultural institutions such as the British Museum and V&A, relevant UK national bodies such as the British Film Institute and UK Trade and Investment, as well as national Arts Councils, the Department for Culture, Media & Sport, the Foreign & Commonwealth Office and the devolved Governments. BBC World Service is also represented on the Group.

The purpose of the Group is to enhance the impact from UK cultural diplomacy activity internationally, by providing a forum for sharing forward plans, opportunities and common policy issues, and where relevant identifying joint approaches and investments. This enables relevant members to work together as effectively as possible to support UK and devolved Government objectives.

The Group meets regularly to share plans and ideas around major UK cultural landmarks and anniversaries, such as the forthcoming WWI centenary, the 2014 Commonwealth Games and the 400th anniversary of the death of William Shakespeare coming up in 2016, and to seek out opportunities to collaborate where appropriate.

The British Council manages and administers the Group arranging for different members to Chair in locations around the UK. It met most recently in June 2013 in Cardiff, and will meet again in November in London.

September 2013

BBC World Service, British Council and British Museum – Oral evidence (QQ 63-92)

Evidence Session No. 4

Heard in Public.

Questions 63 - 92

MONDAY 15 JULY 2013

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Lord Hodgson of Astley Abbotts
Baroness Hussein-Ece
Lord Janvrin
Baroness Morris of Bolton
Baroness Nicholson of Winterbourne
Baroness Prosser
Lord Ramsbotham

Examination of Witnesses

Martin Davidson CMG, Chief Executive, British Council, **Peter Horrocks**, Director, BBC World Service, and **Dr Jonathan Williams**, Deputy Director, British Museum

Q63 The Chairman: A very warm welcome to our three witnesses this afternoon. I will not introduce you, because we know very well who you are. You have in front of you a list of the interests that are declared to give you a good idea of all the different aspects of the interests and involvement of Members of this Committee in this broad area of study and inspection. I hope that is helpful. Just a bit of logistics: if a Division is called, I shall have to immediately adjourn the Committee for five minutes. One always hopes it will not happen, but it may happen, so just to warn you about that.

As you know, we are concerned with the concept of soft power and British influence. There are many different phrases to describe how and why this is becoming a more significant part of our affairs. The excellent paper that comes from the British Council—from Mr Davidson's stable—states, which I rather like, that "soft power involves the things that make people love a country rather than fear it". That is quite a good starting point. Can we begin by each one of you giving a short statement on what your understanding of soft power is and how it affects your work, and whether it is more important or less important? Later on we will go into why it has become more significant and everyone is talking about it. But first just give us a feel of how you see that it connects up with the interests and priorities of the country in which we all live. Who would like to start? Mr Davidson, you are in the middle, so you start from the middle.

Martin Davidson: Thank you very much, Lord Chairman. We would define soft power as a nation's ability to build trust and make relationships of value through sharing its most attractive attributes. The British Council is only one part of that set of soft power instruments that the UK has. In our case, the attractive instruments that we seek to engage are our language, which is one of the most powerful attractors to our country; our education system; and our arts and creativity. There is a fourth area that I think is also extremely important, which is the way in which our society is organised, and if we have time, I will come back to that in a moment.

There are also a wide range of other very important actors in the whole area of soft power. The Premier League, for example, is extremely important and one of the most attractive aspects for people right around the world when they look at the UK. Our wider sports agenda is also seen as hugely attractive. Broadcasting, of course, is a major attractor, and not simply the World Service—I will leave it to Peter to talk about that—but more generally there are probably very few countries in the world where you are not likely to see a BBC programme. There is also our scientific research, our commercial arts, our design systems, and you only have to bear in mind that in Formula 1 eight of the 11 teams are based and designed here in the UK. I would think that also aspects of our military are seen as a soft-power engagement, not least the way in which the military and civilian organisations react and interact with each other. There is also of course the Royal Family.

Within the areas that the British Council covers is our language, and we estimate there are 1.5 billion people in the world learning English at this time. Many of them are looking to the UK for an involvement. In education there are something like 0.5 million foreign students at all levels studying here in this country and who go back with a changed attitude towards us. Our arts and creativity are also huge attractors. Right across the board, in all areas of the arts, the UK is seen at the forefront of that agenda. Our acceptance of difference, our tolerance of different views, our diversity: all are seen as important aspects of the way we organise our society, along with the rule of law, a certainty of how society operates, and also pluralism, the opportunity for individuals to take part in that society. All are critically important.

Within the broader context we believe there are three critical aspects that are important to consider. The first is that Government has a very limited role that it can play in the area of soft power. If government fingerprints are all over the activity then, almost by very definition, it is seen as less trusted, less open, less honest and moving more towards the propaganda area. But it does not mean that the Government has no role. We would regard Government as having a critical role in creating the environment and conditions within which soft power can be operated. Not least this requires movement of people, and simple things like visa policy make a huge difference to how a country is seen and whether or not people are able to move backwards and forwards. Supporting and helping create the different instruments of soft power that a nation might have, but at arm's length, is a critical component of effectiveness in soft power.

The second critical element is mutuality. We cannot expect others to be interested in us if we are not interested in them. Increasingly, if you talk to China, if you talk to India, if you talk to a whole range of other countries, they want us to be involved and looking at them and seeing them as of interest to us, just as much as presenting ourselves.

I think the third area is that this is a long-term, slow-burn activity. It is not an activity that turns itself around within a few years but rather something that is generational: "How do you build a generation of engagement between this country and other countries?" not, "How do you make it highly instrumental within a very short period of time?"

Q64 The Chairman: Thank you very much. You have raised a lot of points that we will come back to, but may I go to Mr Horrocks now?

Peter Horrocks: Thank you very much, Lord Chairman. I would absolutely associate myself with the definition that Martin Davidson gave and the definition of Joseph Nye—whose work I know you have already looked at—of the ability of a country to get what it wants through attraction rather than coercion or payment. Of course for a broadcaster attracting audiences comes naturally, and it might be worth explaining to the Committee the way in which the BBC's main channels in English describe themselves to audiences around the world. We do not use Britishness. We describe the World News television as coming from "the world's newsroom", our new newsroom at Broadcasting House in London. We describe the World Service as "the world's radio station". So, there is a sense of ownership by the world of something that is obviously a British-funded asset.

Next April the jurisdiction of the BBC World Service comes completely under the BBC Trust who will be funding it through the UK licence fee rather than through the grant-in-aid that the World Service has received from the Foreign Office. It recently published a draft operating licence, which is the governance document from next April for the World Service. It describes the editorial agenda of the World Service in this way: that it should provide a global perspective on the world, not one based upon any national or commercial interest. So, the BBC Trust is saying explicitly that we should not be taking a British or national commercial interest. How, therefore, can we be a contributor—as we believe we are—to Britain's soft power, that paradox? Well, it is because of the mutuality or the exchange of ideas, which is such an important characteristic of global debate. In particular, through digital, we believe the BBC in all its activities provides Britain's biggest digital export. But digital is about two-way: it is multi-layered; it is multi-polar. And that is what we believe our audiences around the world are looking for. The result of that? We recently announced the new audience reach for the BBC's international news, its global news reach, of over a quarter of a billion people, the largest audience ever. Despite the cuts that we received a couple of years ago, the World Service is now also at its highest ever level, and BBC Worldwide has an audience of about 100 million alongside that, plus, we believe, an enviable reputation for the quality and impartiality of our news. That creates value to licence fee payers who benefit from the BBC's reputation in terms of the interviews that we can get and the money that BBC Worldwide, our commercial arm, creates. It also does come back to the UK and creates reputational benefit for the UK, because audiences around the world, of course, understand this is something that the UK is providing. That generosity of spirit, described by Kofi Annan as "Britain's greatest gift to the world", is reciprocated, although we have a global perspective as our editorial driver.

There are many ways in which we can assess that direct benefit to Britain, but I will give one example in terms of commerce. A survey of international business leaders, conducted a couple of years ago by an independent polling organisation, indicated that business leaders who consumed the BBC were twice as likely to regard Britain as an attractive partner to do business with than those who did not. There is other evidence I could provide the Committee with.

So, we can attract people to Britain precisely because we are not pursuing a British agenda. We are, however, communicating British values and, of course, we reflect fully news and culture from the BBC. Therefore the paradox creates the ability for us, with our fellow organisations, to be the strongest of soft power.

Q65 The Chairman: Thank you very much. Dr Williams, you are the centre of a gigantic hub of culture and activity worldwide. How do you see the subject?

Dr Williams: Thank you, Lord Chairman. I have learnt an awful lot about what soft power is from reading the proceedings of this Committee, and it seems to me that the definitions, the discussions that you have had, have laid some very useful parameters. Certainly in thinking about what soft power might be, in trying to develop my own abstract definition, what I am about to say may be somewhat academic. But that is what I am, so I have to be true to myself. That is an appropriate thing to say, because one of the key things about soft power is that its exercise is based—and this is a point the Committee has touched on—on the notion that, whatever the message about the country that may be broadcast, it has to be consistent, credible and coherent with everything else that the world knows about the country concerned. I think that is a really important point when we think in the abstract about what soft power may be.

I think what my two colleagues have said is absolutely right: that if it is anything, soft power is based upon what a country is, its essence, its attractive power, its ethical and its cultural characteristics. It is not about what we do to the world or what we produce. To the extent that it can be instrumentalised, either for state or government purposes, it needs to be based on a message, which is credible, coherent and consistent with everything else that the world knows about the kind of people that we are and the kinds of institutions that the country has.

Let me say a little bit about the British Museum; an awful lot of what I am about to say is going to be strikingly similar to what we have heard from my colleagues. As many of you may know, over the last 10 years or so the British Museum has sought to describe itself, and really be, a museum of the world, for the world. In some senses, there may be thought to be some sort of contradiction or tension between our name, British Museum, and the notion that what we are in fact is a museum of the world for the world. This is a transformation in our own understanding of ourselves that my director, Neil MacGregor, has managed to create within the museum and also broadcast effectively to audiences within Britain and around the world. He has done that by taking us back to our Enlightenment origins. Here I am going to sing the praises of Parliament, taking us back to the extraordinary way in which it has set up the British Museum as the original arm's-length cultural body upon which all other similar bodies, museums, galleries, opera companies and ballets throughout the common law world have since been modelled; setting the museum up as a trustee institution, incorporated as an independent legal personality, empowering it to act on behalf of beneficiaries, beneficiaries not defined as citizens of this country but left entirely open. I think this is the extent to which the debates around soft power, if not soft power itself exactly, have begun to have an effect and real impact on the way in which we have seen ourselves and understood our role as a museum: over the last 10 years we have increasingly actively identified the beneficiaries of the British Museum's trust as the citizens of the world.

What Parliament did in 1753 was to take a unique collection of things—books, antiquities, fossils, everything—from all over the world and make them publicly accessible for free—and we still are free to this day—for the benefit of the whole world, with the intention of creating a new kind of global citizen. That was Parliament's vision 260 years ago, and it is that vision that in partnership with our colleagues in the BBC and the British Council and many other museums and galleries around London and around Britain we have been increasingly re-excavating and reviving in order to make a reality of our claim that we are a museum of the world for the world, founded by Parliament for the benefit of a global audience, 260 years ago. That is a vision Parliament provided us with, which we have been seeking to make a reality of in the 21st century.

While I do not think my museum or other museums would see themselves as instruments of soft power, it is clear that the debates around culture and its role in the global conversation have had a significant impact on the way in which museums and galleries such as mine and other major British public institutions have shaped their self-understanding, particularly over the last 10 years or so.

The Chairman: Thank you very much indeed. That is very comprehensive from all three sources and authorities. I know my colleagues would like to question, in particular, the many points that have come up, but they are going to come up anyway in our further discussion. Lord Forsyth would like to come in.

Q66 Lord Forsyth of Drumlean: I have a question. Mr Davidson, when you talked about the attractiveness of Britain—you mentioned our culture and everything—you did not mention science, engineering, the City of London, financial services, any of those aspects. Was that because the list would have been too long?

Martin Davidson: I did mention the scientific research, which I think is a critically important element. There are many different aspects, and I suppose that issues around banks and so on at the moment do not make that the most popular attractor around the world. But I would agree with my colleagues who said that it is really about credibility. In what areas is the UK seen as both a global leader but also a credible leader? Thailand has recently announced that it wishes to brand itself as “the kitchen of the world”. I am not sure we would do terribly well branding the UK as the kitchen of the world, but there unfortunately—

Lord Forsyth of Drumlean: Forgive me; London is a major financial centre.

Martin Davidson: Absolutely.

Lord Forsyth of Drumlean: The City of London is not just about banks. It is a major contributor to our economic well-being. It is recognised throughout the world and we are in firm competition with New York. It is a bit surprising that it is not top of your agenda. Or do you not think that because there has been some adverse publicity surrounding the banks it should be something that you are trying to correct?

Lord Foulkes of Cumnock: Edinburgh is also quite a big financial centre, and none of you mentioned Scotland at all in any of your presentations.

Martin Davidson: I have been having conversations with the Lord Mayor, both the present and the future one—

Lord Foulkes of Cumnock: The Lord Mayor of London?

Martin Davidson: The Lord Mayor of London, precisely about this area of how the work that we as an organisation can do can support the City as a financial centre, so we do absolutely see the consonance there.

The other point about my organisation—and indeed shared by my colleagues—is that we are all UK bodies. We see ourselves as responsible to the Governments in Edinburgh, Belfast and Cardiff just as much as we do to the Government here in London, and we put a significant amount of effort into talking to those Governments about what their soft power agendas are, just as much as we do here.

Lord Forsyth of Drumlean: Lord Chairman, may I just add one other question, which is to Mr Horrocks?

The Chairman: Yes.

Q67 Lord Forsyth of Drumlean: I have always been a great supporter of the BBC World Service because I felt that it provided a British perspective on what is going on in the world, and with that the values associated with impartial news and so on. I have been quite surprised by this doctrine that says you do not use the word “Britain” and that you have to operate as a global organisation because, paradoxically, that would make you less credible. The licence payers in Britain expect you to be promoting Britain and its values. As for the idea of dropping the name “Britain” or the “UK” from the news bulletins, is that not something that you think might put you at risk, in terms of getting support and funding from British taxpayers or licence payers?

Peter Horrocks: No, I do not believe that, and if that is how you understood what I was saying, I may have mis-described it. Everything is BBC-branded, of course, and everyone knows that the BBC is the British Broadcasting Corporation.

Lord Forsyth of Drumlean: No, you said the news service—

Peter Horrocks: Yes, and the BBC Trust has said that we should take a global perspective in the way that we deal with the news. But we absolutely reflect British values, and British values of fairness and impartiality are absolutely the bedrock.

If I can go back to your point about economics and the way that Britain’s role in the global economy is communicated to the world, the fact that London is such an open financial centre, you will hear of course far more British experts on all of the BBC’s airwaves, both on radio and on television. We will be talking to UK politicians, including many people in this room. So, a British understanding of global issues is absolutely something that we are communicating, and British culture plays a very significant part in that global offer that we have.

Q68 Lord Forsyth of Drumlean: But why is it not branded as global news from the British Broadcasting Corporation or from London?

Peter Horrocks: Well, it is. If you look at “BBC World News”, for instance, it uses a skyline showing London. I can talk about last year. Our marketing and our editorial campaign around the Olympics, which we did not have the sports rights to, were under the label “London Calling”. It was all about how London is a wonderful, diverse and open city. That was extremely attractive content to our audiences around the world. The reason we do not put Britishness and British as the hallmark of it is that other countries have services that are explicitly about reflecting the national political agenda—we can perhaps talk later on what the Chinese and the Russians and the Iranians are doing in this regard—and their services are regarded as being propaganda, and that is not effective in terms of attracting people around the world. So, we can have that proper even-handed global perspective but reflect British knowledge, British expertise, British culture and British values, so being impartial, but also being an attractor to Britain. That is the logic of our editorial offer.

Q69 Baroness Nicholson of Winterbourne: It seems to me that traditionally the huge cultural institutions that you represent have always seen their task as promoting the cultural values of the United Kingdom, yet more recently there has been an obligation placed upon you all to try to earn a bit of a living for Britain as well, not just to promote our values. Is there an understanding in these institutions, and others, that that is now at least a part of the obligations placed upon you by the taxpayer? Or is there still a feeling inside the institutions that perhaps this is a little bit something they do not want to touch; that somehow this is a step too far and cultural values will dwindle if there is something commercial and some quantification of helping Britain earn a living more effectively through your work than before? As a side question to that, with the rise of some pretty dominating and maybe narrower

values in parts of the globe at the moment, are you going to put a bigger push behind cultural values from here, and can that be quantified in any way at all? It does seem to be a difficult time that we are going through in some regions at the moment, very contra-indicative to our particular value system. What are you doing about that? Would you define it as soft power or not?

Martin Davidson: First, around the financial environment, there are two aspects to that. One, of course, is the internal financial environment of each of our organisations. We in the British Council are now required to find something like 80% of our total turnover through our income generated from non-governmental sources.

The Chairman: Is that 80% of your turnover or 80% of your revenue?

Martin Davidson: 80% of our turnover.

The Chairman: The turnover, okay.

Martin Davidson: So, that is about £780 million of turnover. The Government grant is now just over 20%. That again drives a significant cultural shift within the organisation. We have to have very effective commercial income-generating individuals within the organisation, but it is absolutely vital that we also see ourselves as a public service: not either/or but both those things at the same time. Sometimes it is difficult to persuade publics overseas, who are not used to the mixed funding model that is usual in this country, to see that. But that is one of the reasons why in our case, for example, as well as teaching for income we also put in a huge amount of effort into providing English language materials for public education systems right around the world free to the user. That is a very important balance.

Of course there is also recognition that different bodies within the UK will use for particular purposes the long-term trust and influence created by the work that we do. At the moment, those purposes will include the prosperity and long-term health of the British economy just as much as the wider cultural influence of the UK. I do not think that my colleagues see that as a problem in any sense whatever. Indeed, I think we all recognise that if you are going to draw public money, then you actually have to be able to demonstrate a public good that flows from that. But I think the danger comes if we are pushed into a very instrumental approach, which suggests that you do X in order to raise the income flowing to a particular institution or a particular business environment. For example, at the moment we have done some very useful work, I believe, with DCMS and with colleagues here and others, in looking at the range of cultural events that will be taking place in 11 countries around the world over the next three to five years, including India, China, Brazil and other countries. We are asking the question, “Well, how do we use those big cultural events that are taking place, which are taking place because the British Museum, the V&A, the British Council and other organisations want to do them? How can we use those and ally them with other areas of work?” We are having a conversation with the UKTI—for example, there is an idea of a very substantial design exhibition in Mumbai in about 18 months’ time—on how can we put a British design marketing agenda around that and, indeed, a design education agenda around that, so we actually make the most of these events that are taking place. I think that that approach of using what is already happening and what is already planned, but using it in a way that can support the wider commercial and prosperity agenda, is something that, certainly in my case, my colleagues are very comfortable with.

Q70 Lord Hodgson of Astley Abbotts: One question about the focus: the British Council produces a wonderful map of dots and stuff, and there is a lot in Mr Horrocks’s stuff on the BBC. Is our role of soft power to do a little everywhere or a lot in the biggest countries?

Martin Davidson: I suppose my answer to that would be that it is a rather standard 80:20 principle—you should put 80% of your effort into 20% of the places—but that it is important for the long term for the UK that we are engaged with other parts of the world. Two or three years ago a lot of questions were being asked about whether or not we should continue in North Africa. Now, nobody would say that we should not be involved with North Africa. It clearly is critically important. We never know quite where the agenda is going to move. So, that 80:20 principle seems to me to be broadly right, but the UK is well served by having the capacity, not just from my organisation but more widely, to operate on a global basis. That does seem to me to be very, very important.

Q71 Lord Hodgson of Astley Abbotts: Could I just ask Peter Horrocks this? In your letter circulated to us about the World Service, you had a category in there of languages of particular need.

Peter Horrocks: Yes.

Lord Hodgson of Astley Abbotts: Some of them seemed to me to be quite marginal in terms of numbers. I wondered how you reached that and how you saw that fitting into our soft-power plans.

Peter Horrocks: There are two categories in terms of the non-English languages: the larger languages, which I think you were referring to in your first question; and then the languages of need. For instance, services to Somalia or services in Arabic that would be heard by people in Darfur are services that are quite substantial to audiences in Afghanistan. Most of those are delivered cost-effectively through radio, which is a very cost-effective way of getting to large numbers of people. That urgent need, in countries where there is no other credible news source at all, is a very important part of what the BBC does. However, languages that go, for instance, to the BRICS countries I believe are increasingly important for us. So that is the way in which the BBC can gain trust for Britain through the editorial approach that I set out earlier. Professor Nye has spoken to us about this and says, “The BBC plays an important part of that strategy, a point of entry that is not mistrusted, a point of entry to British influence. If you are a citizen in Brasilia or Beijing, you want to know what is true about a certain event, and the BBC is the gold standard”. So, we are focusing greater resource on those major languages. Of course we cannot cover every one of the world’s languages—we reduced from 32 to 27 languages two years ago—and in order to be effective in broadcasting terms you certainly do need to have focus.

Q72 The Chairman: I would love to move on to this question. You have mentioned several times Beijing and the wider world and the fact that your audience is 250 million out of 6.5 billion, so you could say it is wonderfully large for one country, but it is pretty small in the world scene. Baroness Morris, would you like to pursue this theme? Are other people taking over the airwaves? Are we still where we were?

Baroness Morris of Bolton: The marketplace in global soft power is becoming increasingly competitive, and I wondered if you saw yourself losing ground to the likes of Al Jazeera in the Middle East or China Central Television in Africa. Then, to slightly widen that out from just television, we have also seen a huge increase in government-sponsored cultural activities such as the Confucius Institute. So where exactly do you see that with regard to the British Council? Then, generally in all of this, how do you intend to carve out a distinctive position for yourselves that enhances our cultural values and helps the UK’s soft power?

The Chairman: I can see how the British Museum has done that just off the back foot, and amazingly has carved out a fantastic global niche. But for our other two colleagues here

perhaps there is a doubt in the air as to whether we are quite what we were. Are we losing out in the cyber-dominated, totally connected world, or are we still carrying weight? Just reassure us on this.

Peter Horrocks: I would not want to downplay that threat.

The Chairman: Sorry, can you think of the answer to that for a few minutes? We have to go and vote.

The Committee suspended for 10 minutes for a Division in the House.

Q73 The Chairman: Apologies for that break. There was a question hanging in the air: is this the world we knew, where the BBC was the voice of freedom in the world? Since 1934, the British Council seemed to have the field almost to itself, but suddenly it is getting a bit crowded. Are we still where we were?

Peter Horrocks: We certainly are not where we were and, although I am proud of the strong performance that the BBC World Service in particular has had, I would not be in the slightest bit complacent; in fact, I would probably be the most worried person in the room about the fragility or potential fragility of our audience position. As you say, it is largely because of the competition that we are now seeing from other state providers in particular. Let me give a couple of illustrations of that. The Chinese, through their efforts, are using their vast financial resources. A few years ago, a \$9 billion budget for Chinese international broadcasting was announced, a multi-year budget, but still a vast budget in comparison to the resources that we have. In Africa, for instance, that is being used to support the change to digital television, paying for the infrastructure, helping to organise the frequencies and then using China's financial muscle to pay for access to the airwaves, including in some cases squeezing out BBC output. We provide our output for free for local broadcasters to be able to transmit on their television or radio stations. The Chinese pay people to take that, so although those broadcasters may well believe—I am sure they do—that the BBC's quality and impartiality are greater, they will sometimes choose to take the Chinese content because the Chinese are paying them. That is not something we can afford or that we choose to do. The Iranians are getting into this. They have even launched a Spanish language channel from Iran. There are also the Russians, of course. Then there is Al Jazeera, which is really a state-funded organisation.

You asked how we can still maintain a strong position and be distinctive. We can be creative, we can draw on all of the resources of the BBC and our colleagues across the BBC, using the technologies, especially digital, and we are particularly proud of the success we are having in digital. But the most important thing is to stay true to our editorial values. That is why I talked about impartiality as being the absolute bedrock. Of course most audiences around the world realise that news from China or Russia is news that comes with a Chinese or Russian flavour. Al Jazeera has had some recent experience where the commentators believe that Qatar's foreign-policy interests in terms of supporting Islamists in a number of countries has had an impact on Al Jazeera in Arabic and its editorial agenda, and that has created a backlash around the Middle East. So it is absolutely crucial that you modernise, that you use the resources as effectively as you can, but you stay true to your values, and that remains our distinctive position.

Q74 The Chairman: What about the British Council going strong since 1934?

Martin Davidson: There are many new players on the block. China is obviously one and the Confucius Centres have set up 350-odd centres in the last 10 years. It is very difficult to know exactly how much money the Chinese are spending on this. The best published

number that we have been able to find is US\$200 million, but my guess is that a multiple of that is being spent. In Africa, China is applying a very, very large number of scholarships, certainly in the tens of thousands, for African students to study in China. So these are big, competitive players, but China is not alone. Turkey has launched the Yunus Emre Institute, developing its soft power especially into the Middle East. South Korea is a very substantial player in this space; Taiwan has started similarly. So it is a much more crowded space, but I think it is important not to pretend that there has not been competition in the past: the Germans, the French, the Italians and the Spanish have all been substantially significant players in this space for a very substantial period of time.

We have to always ask the question: are some of these new players doing things that are interesting and that we can learn from? I think some of the approaches that the Confucius Institutes have taken to teaching Chinese are interesting, and indeed we are not ashamed to have a look at them and copy them where there are good ideas coming through. But we also have to understand that the UK's approach does have some very real and substantial advantages, not least, we would argue, the arm's length. I think the Chinese have a significant problem in that the fingerprints of government are very clearly on the activity and that raises substantial suspicion. Of the areas that we have advantage in, first of all is the approach towards mutuality: that we are quite explicitly interested in what other people have to say as well as trying to project ourselves. The Chinese approach and the approaches of most of the other players are very one-way. Second is the range of functions that we have available to us and the sheer strength of the UK's institutions in this area. Thirdly, frankly, we get an enormous amount of benefit for really very little money compared with what other countries are spending in this space.

Q75 Lord Foulkes of Cumnock: Martin Davidson, I thought you were going to be helpful for a minute when you were talking about learning from the Confucius Centres, but then you went back into mode—if you will excuse me saying so, each of you sounded like three male members of the British establishment saying what a wonderful job you are doing, which does not help us with our study. What we want to look at is how we can do it better. Have each of you never sat down with your staff and said, “How could we learn from France or from China or from Germany? What can we do? What other things ought we to be doing? How can we collaborate with other bodies?” You do not sound innovative. You do not come up with good ideas. You always just seem to be saying what a wonderful job you are doing.

Martin Davidson: Well, it is a challenge. First of all, I think you cannot turn yourself from an organisation functioning with more than 50% of government grant to one functioning with 20% unless you are innovative. It requires you to go out and do things in a completely different way. One of the big challenges for us is how we deliver something that people are prepared to pay for. This is not simply big, rich companies; these are individuals, 350,000 or more young people around the world, prepared to spend their own money on learning English with us because we do it better than other organisations. So I think we have a significant agenda around innovation and we certainly do not pretend that we have it all right. I think we look at the Confucius Centres and ask the question: what do they have to teach us?

Lord Foulkes of Cumnock: What conclusions have you come up with?

Martin Davidson: We have come to a number of conclusions, not least in establishing our new teaching platforms in Pakistan, in Iraq and in extending them in Sri Lanka to Jaffna, where we are copying a number of the approaches that the Confucius Centres have taken, particularly using local teachers, which is something that we have not done before. We work

very closely with the French and we have launched a new series of cultural seasons, which is very much drawing on the French example. Unfortunately, we do not have the amount of money that France puts into it, so we have to rely very heavily on non-governmental funding to do that.

Q76 Lord Foulkes of Cumnock: You have said that twice now, about reductions in funding. Do you just accept that? Can we help in going to the Government and saying, “The British Council could do a great deal better if you gave them more money for scholarships”? Do not accept things as they are. We are not here to accept things as they are. We are looking at what they might be.

Martin Davidson: Absolutely, and of course we would like more money, but, to be absolutely frank with you, for me the biggest agenda over the last five years has not been to tilt against the windmill of government cuts but to transform the organisation so that it can not just live with those cuts but expand and develop against that background. I hope that as we move forward we are going to move into a position where the Government will invest in scholarships, particularly investing in sub-Saharan Africa, particularly investing in supporting those countries wanting to develop themselves, particularly investing in how society has organised itself. I believe those are critically important areas, and I would want the British Council to be part of that, although not the sole recipient of that, because there are many other organisations.

Q77 Lord Foulkes of Cumnock: Do you argue that that could save our Government money elsewhere, deploying troops to difficult areas in which problems might not arise if we were doing more in terms of scholarships and cultural activities?

Martin Davidson: It is enormously difficult always to prove the negative, but certainly our belief very strongly is that soft power, well utilised and well deployed, is a substantial and significant saver of other forms of intervention.

Lord Foulkes of Cumnock: Because this Committee has been set up to look at it, I would have thought each of you would have thought, “Hey, this is an opportunity to put our case”, and then we will report to Government. That is what Select Committees are about.

Peter Horrocks: Can I have a go?

Q78 The Chairman: Mr Horrocks, just to speak to Lord Foulkes’s question, bear in mind the world is now totally connected up on iPads and iPhones and everything else. How are you going to cope in this entirely new electronic landscape?

Peter Horrocks: I appreciate Lord Foulkes’s question, and it is the kind of question I would like World Service presenters to be asking to get the debate going. Accepting that these organisations need to change, the World Service had to make some really difficult cuts a couple of years ago. We swallowed that, we got on with it and we have bounced back. Sometimes these organisations can be seen through rather a sepia-tinted view of what they may have been some years ago. The competitive world that we have just been discussing is going to require us to make choices. Under the BBC Trust’s strategic control, I hope that politicians and those who are concerned about organisations like the BBC World Service will accept that those decisions need to be made in the broadcasting interests of the audience and not through an over-political prism. So, that might mean if there are services, for instance, that are too small at some stage in the future, we may have to close some services in order to maintain our effectiveness. We will need to innovate and change, and that might mean changing the balance between radio and television and online. Our real competitors are going to be—already are—Google and Facebook and mobile providers, not

so much the Voice of America or indeed Iranian broadcasting, because that is the way that audiences in Africa and Asia are going to be getting their news. So we must understand that we might need to make choices that will reflect that different way.

In terms of the funding, clearly the responsibility of the funding of the World Service is now moving to the BBC, and the BBC Trust will need to make those decisions. But there are ways that Government can help the BBC's international activity in a supplemental way. For instance, the Department for International Development does some excellent work through the BBC's development charity, BBC Media Action, to support programming in places like Somalia and Afghanistan and providing a place for debate, where politicians can be challenged by their publics in a way that does not happen in those societies.

Then the last thing—and this is looking ahead to the future of the BBC in the debate that will happen around the BBC's charter over the next few years—is that for the first time the publicly funded global part of the BBC, the World Service, will be part of the licence fee, and there will be a discussion about the appropriate level of activity. Clearly the political debate around the BBC in the UK is often influenced by views about the BBC's role—whether it is too large, and how it affects competition in the UK. From a global point of view, in relation to the BBC as a national champion that can help others in the creative sector—for instance, the independent production sector benefits hugely from the activities of BBC Worldwide—I think politicians, as they debate the future of the BBC, considering its UK role and its global role together, may see things that could be helpful there.

The Chairman: I am going to ask Baroness Hussein-Ece to follow up on this particular point.

Q79 Baroness Hussein-Ece: Thank you very much. Just following on from the questions that you have had from Lord Foulkes as well on this subject, do you not think that social media—because you have touched on that now—has become much more influential, particularly in parts of the Arab world that you mentioned and other places like that? People are no longer passive recipients of packaged, presented news tied up in a bow: “This is the news”. It is much more instant with social networks, with Twitter. We saw the in the Arab spring what was called a Twitter storm. We and all the world were getting instant news about what was happening on the ground and not having to wait for news bulletins or programmes. Do you not think that particularly the BBC is losing out on this? I am questioning the media outlet. The BBC is not really keeping abreast of these changes.

Peter Horrocks: That is not fair, I am afraid. No, that is not fair.

Baroness Hussein-Ece: Because if there is an appetite for more around the world now, if, as the Lord Chairman said, the world has become much smaller now and news is very instant, do you not think that the BBC could potentially lose out if they do not keep abreast of these major changes?

Peter Horrocks: Of course we could potentially lose out, but our audience is at its highest level ever; our digital audience is growing substantially. But it absolutely does change our role in exactly the way that you say. It is no longer people in London saying, “This is how the world is”, to people around the world. It is a dialogue; it is a debate.

Let me give you an example of what is happening in Turkey. The BBC's Turkish service broadcasts in television, not in radio. We have decided not to broadcast any more via television, because the distributor kept interfering with reports that they regarded as being controversial. So, we are now only available online. But what the team can do is to help the Turkish society to know what is trustworthy news and to host a debate about the future of

Turkey, because through social media you have one group of people who have one set of fierce opinions and another group of people with separate fierce opinions that they do not discuss with each other. So the BBC's service in Turkey is conducting programmes, discussions, that talk about the future of Turkey and which judge which news is reliable. People are coming to the BBC Turkish service in vast numbers because we are modernising and changing our role. It is not a one-way role. It is a two-way role and one where the BBC is trusted by audiences around the world to host that conversation.

Q80 Baroness Hussein-Ece: I just want to respond on that. Obviously I follow the Turkish news and what was going on there, and that is the case. But there are parts of the world where perhaps they do not have that embedded in the same way, so they are relying on their own people on the ground to get the news and information from. There were probably traditionally ways with trusted commentators from their own background and community. I just want to make one comment. I think obviously we are all big fans of all three institutions, particularly of the BBC, but do you not think the BBC did lose a bit of trust in the aftermath of Operation Cast Lead, showing a bit of bias there in refusing to broadcast the appeal for Palestinians in that way? It lost a lot of credibility and kudos. Certainly I have heard a lot of people in the Arab world say that you showed some bias when you did that. That is just one example.

Peter Horrocks: I do not particularly want to go through all the ins and outs of that. All I would say is—

Baroness Hussein-Ece: It is an example of how easy it is to lose some trust.

Peter Horrocks: No, absolutely, and I appreciate that some members of the audience did lose trust. That trust in the Arabic world has come back. Our audience levels in the Arabic-speaking world are the largest component of the increase in the BBC's audience that we announced only a few weeks ago. It was because of our commitment to being even-handed. We knew that running that campaign, that promotion of aid support for one side in that conflict, could be seen to compromise our impartiality. That is why we took that difficult decision. I appreciate that not everyone agreed with it and it did have a detrimental effect in the short term, but the long-term benefit of being impartial counts, and that is why our audiences have come back up.

Q81 Lord Ramsbotham: My question is stimulated by a remark of yours, Martin, when you talked about the fingerprints of Government, because all three of you have outlined how you see the role of your organisation in projecting British values, which you have arrived at individually. But at the beginning of our deliberations, we were told that the 2010 Foreign Office business plan includes the development of a long-term programme to enhance UK soft power, co-ordinated by the National Security Council. Are you conscious of that, and do you welcome the fact that the National Security Council is the organisation trying to co-ordinate the project of just the things that you have been outlining to us?

Martin Davidson: I am aware of the involvement of the National Security Council around some of these areas. I think it bears on what is the role of Government and what is the role of other organisations in this whole area. I can see that there is a role for Government—indeed, would welcome a role for Government—to grow soft power, which for me is around putting more resource in some of those areas that Lord Foulkes talked about and what I was talking about a few moments ago. It would be around helping define where the UK's wider interests sit. But I think if the Government then seeks to deploy that soft power, it is going to fail along the way. I would draw a distinction between creating the conditions that allow that soft power to be grown and the attempt to deploy it. My organisation's view

is very clearly that we have to be of the UK, not of the Government of the day, and that overseas target audiences are extremely conscious of and very clear in drawing the distinction between the two.

Q82 The Chairman: Can I bring Dr Williams in again, because my own experience with the British Museum is that you and your director, Neil MacGregor, have been expanding enormous influence worldwide without, I suspect, referring very much to the National Security Council or anybody else. Have you had any conscious guiding principles in the way in that the British Museum has now become, as it were, the museum of the world?

Dr Williams: These are conscious guiding principles that the trustees have drawn from their statutory obligations laid down by Parliament. They have an obligation to make a reality of global ownership of the collections for which they are responsible. Those are our basic principles, and from them flows everything that we do, to make those collections available both here in London and throughout the world through a series of physical loans of things—4,000 objects lent last year alone—and also increasingly in the digital world, with 27 million visitors to our website last year, and that is continuing to increase. So, the guiding principle is that this is a collection that the trustees hold in trust for the world and that they have to take every new opportunity that each new generation offers to make a reality of that obligation.

The Chairman: Have you run into a lot of historical baggage problems? We were warned in earlier evidence that Britain has invaded practically every country on the planet and we have one or two slightly awkward incidents in the past to live down.

Dr Williams: What that means is that Britain has a long and rich and complicated series and nexus of relationships with countries all over the world. The British Museum and its collections are one of the legacies of those many different relationships. What that provides us with now in the 21st century is an opportunity to revisit those relationships and refashion them for public benefit, both in this country and in the country concerned. One example: just now we have finished the second year of a leadership training programme for India's future museum directors, a programme supported by the Indian Government. The Indian Government came to the British Museum to ask us to assist them in putting together a high-level leadership programme to enable Indian state museums to partake in the global conversation around collections and cultures, and that has been a great success so far.

Peter Horrocks: That baggage of history need not be a problem. It is an editorial opportunity. So, for the World Service, Commonwealth countries form by far the largest single component, and the World Service is a place where those problems of the past are worked through. For instance, with the revelations over the last few years about what happened in Kenya with the Mau Mau, the World Service of course has investigated that and given a substantial amount of airtime to hearing from Kenyans who expressed concern about what happened. It is the fact that it is discussed openly and without any fear or favour that makes our output attractive to people in that part of East Africa.

The Chairman: Thank you. Lord Janvrin, would you like to come in?

Q83 Lord Janvrin: I think it is more of the same. It is around this whole question of the independence of your organisations and retaining that independence yet still being in need of public funding support. My question is that if you are arm's length cultural bodies or arm's length institutions, are you not at arm's length from all the key decisions that really affect how you can operate? I am thinking in terms of within the British Government, whether it is over visa policies or tertiary education or whatever. Do you have any input into those kinds of discussions, and how can we improve that kind of joined-up Government in the future to

ensure that those kinds of decisions that may be taken in a domestic context have huge repercussions for you and indeed the country in trying to deploy soft power?

Martin Davidson: I think, for the British Council, critical to this is that we see ourselves as operating in partnership with a wide range of organisations. Of course we have an extremely long history of discussion with the Foreign Office, as an NDPB of the Foreign Office, as well as being a chartered organisation and a charity. So, the conversation that I have with the Foreign Office is around the nature of where are the major foreign policy objectives and what it is that the British Council can do in order to support those, but not in how we do it and the way in that we do it. We regard that as being the operational independence of the organisation, and critically important for our credibility across the world. But we obviously have to have conversations with UKTI, with DBIS, with the universities, and with the great institutions, all of which have to be part of the discussion about how we do things.

We do indeed have conversations with the Home Office around issues like visas. We are working very closely with the universities around student study visas, for example, because these are vitally important aspects of how the UK is perceived overseas. You only have to look at how the Indian press reacted to the idea of a visa bond to see how extremely negative the overseas perceptions are of this country from the way that we deal with visa applications. I cannot think of any senior discussion I have had over the last couple of years that has not started from the position of visas. It is critically important for us, so we do have to have those. Some of those conversations take place below the radar and some of them take place in a rather more public place, and I think it is effectively a question of what is going to be the best way of having those conversations at particular times.

Peter Horrocks: It is not the BBC's role, of course, as an editorially independent organisation, to be advising or inputting to Government on those broader policy questions. The BBC World Service has always been editorially independent. One of the great advantages of the structural change that will happen next April when the funding moves from the Foreign Office to the BBC licence fee is that one of the charges that, for instance, the Iranians and the Russians have periodically made against the World Service is that it is in the pay of the Foreign Office, therefore it must be dancing to the UK Government's tune. It will be even easier to dismiss that because of the change in funding. However, another thing that we are altering editorially, partly as a result of licence fee funding, is that we want to show to people who are paying in the UK the benefits of the World Service—not just around the world, but coming back into the UK. So, increasingly you may be hearing and seeing on the BBC's airwaves in the UK our international correspondents, the ones from the language services, who are delivering bilingually much more than they used to. For instance, with visas, increasingly that is reported around the world by people from India or Kenya or wherever it might be, who will have a very direct understanding of that. Of course we reflect the other side of the story as well in terms of the need for those restrictions from a UK Government point of view, but reflecting the world back into the UK through our editorial activity can also help people to be more aware of the international dimension of UK policy decisions.

The Chairman: Lord Forsyth, would you like to say something?

Lord Forsyth of Drumlean: I wanted to change the subject slightly.

The Chairman: I think time is going by, so go ahead.

Q84 Lord Forsyth of Drumlean: I wondered if you could give a specific example of a project undertaken or something that you have done that has directly contributed to the UK's influence abroad? Supplementary to that is: how do you measure this? Dr Williams

talked about hits on the website. That need not necessarily indicate success in achieving British influence. This concept of cultural value: I do not understand what “cultural value” means. How is it measured, and can you relate that to a specific example? That is for all three of you.

Martin Davidson: I could kick off. I think one programme that we are very proud of is our *UK Now* season in China. That ran last year from April to October, specifically looking at the cultural relationship between the UK and China in the Olympic year. We had something like 800 artists performing in 29 cities to 4 million people across the country with very, very substantially greater media coverage. It cost us about £1 million to put together. We gained a further £3.5 million from British business in order to put it together and about £10 million of input from the Chinese side. So, that was a very specific piece of activity, which was to explore the UK with China in this very important year.

Direct impact is always very difficult to be able to identify, but we have talked to the commercial sponsors of the activity—and those included companies like Jaguar Land Rover, Diageo, Burberry—and they have all identified a specific increase in interest in their brands in China as a result of that. The British Ambassador has also reported that he has seen a significant shift in the way in which the Chinese look at the UK as a creative hub rather than simply financial or interesting but rather faded part of the world. So, there are those sorts of outcomes. But I think one of the problems we had with this is that it is extremely difficult to be able to identify a causal link between a particular piece of activity and a shift in—

Lord Forsyth of Drumlean: Sorry to interrupt you. If my addition is correct, you spent £20 million on this project in total in China. In measuring the effectiveness of that, comments by sponsors and comments by the British Ambassador are very useful, but normally if you are spending that kind of money you would be expecting to have more quantitative information as to whether or not you want to do it again, for example.

Martin Davidson: Clearly there is the anecdotal and the quantitative. For example, we measure the quality of the comments that appear in public through media and so on, so there is a well-founded mechanism for doing that and identifying the value. We look at the numbers of people who have attended and so on.

But I think I would like to just move on to the second part of your question, which is around, “What is the value of all this cultural activity?” A piece of work that we have done has identified specific value very clearly. We have asked that question in 10 countries: “Are people more interested in working or doing business with the UK as a result of having been involved in an event of that kind?” On average there is a 30% increase in willingness or interest in doing business with the UK. The largest increase comes from some of those countries where we have the greatest interest. For example, in Turkey, it is something like a 30%, 35% increase. In Russia it is nearly a 50% increase. In China it is about a 20% increase. So, there is, across the board, quite clearly a linkage between people’s willingness to do business with the UK and the experience that they have had through these types of activities. That is what I would argue has been the cultural value of the sorts of events that we are doing.

Q85 The Chairman: Dr Williams, your turn; tell us about a project and how you think it has had an impact and helped.

Dr Williams: Perhaps I can talk about what, for us, was a fairly remarkable project and I think interesting given the context of our conversations around international relations: the loan of the Cyrus Cylinder to Tehran in 2010. Iran, as we all know, is a country with which Britain has limited international contact and no diplomatic representation, as I understand it,

and there is also of course a fraught context and difficult international conversations. The Cyrus Cylinder, just to fill in a little bit, is a really remarkable object, not from Iran, interestingly, but originally found in Iraq. It is an inscription recording the great deeds of the ancient Persian King Cyrus and his restoration of the various rights and temples and peoples within his empire. For many years, this has been a national icon in the Iranian context. It is the kind of object that every Iranian schoolchild learns about. It has appeared on Iranian stamps and coins; it is a really important thing in the Iranian public conversation. For that reason, the trustees decided that it was important that they share this object, which is entrusted to them, with their beneficiaries in Iran.

Because of longstanding relationships with the national museum in Tehran, sustained by colleagues in our department of the Middle East, we were able to have a kind of conversation that other bits of the British public sphere have perhaps found more difficult to have, and that enabled this unique thing to be lent for a period of some months to the national museum in Tehran, where it was seen by about 1 million people. That is just a number of people, rather like my 27 million hits on the website. But the very fact of the achievement of this loan and, equally as important, its return was of importance. The object, by the way, is now on a five-venue tour of museums across America, where it is stimulating a very interesting series of conversations around the value and the significance of Iranian and Middle Eastern cultures across America, and next year we are going to be lending it to Mumbai, where it will coincide with the World Zoroastrian Congress. This is just an indication of the kinds of projects that the trustees are clear that they want to undertake. It was absolutely not without risk. It was a risky thing to do, but they felt that they had an ethical obligation to do it.

[Interruption]

If the Greek Government were ever to ask for a loan, then the trustees would consider such a request.

Lord Forsyth of Drumlean: Forgive me for appearing to be negative—I think it was a great thing to do—but my question was about an example where you could demonstrate that attitudes towards Britain had been improved. I have no idea how this was received in Iran, but I can equally imagine people saying, “What on earth are these people in London doing with this article, which they took as an Imperialist power with no idea with what its history was?” That was a good thing to do and 1 million people went to see it, but what is the evidence that that has made people more inclined to take a positive view of Britain, and how do you measure that?

Dr Williams: We do not have that evidence, and to be honest the British Museum’s primary interest in lending things around the world is not in order to further public understanding or Iranian sympathy for or understanding of Britain, as such, as an entity or an international state actor.

Lord Forsyth of Drumlean: So, how is that related to soft power, then?

Dr Williams: It is related to soft power insofar as the loan of this extraordinary object from a great international institution in London to the national museum in Tehran achieved a level of communication between the public sphere in this country and Iran that is very, very difficult in other aspects of public life. It is not really about soft power, but what it is, at the very least, is maintaining a channel of communication between Britain and Iran – within the public sphere around the area of culture, which is otherwise clearly rather difficult to sustain at this moment in history.

Peter Horrocks: Can I give one specific piece of evidence, again relating to 2012? The BBC's audiences consumed a lot of Olympics content, as you would expect, but, as you say, just consumption does not prove the point. We have an online panel of those who use the BBC around the world, and when we asked them after 2012 two-thirds of them said they found the BBC coverage improved their perception of London and the UK in general and more than 80% of them said they were now more interested in visiting London or the UK as a result of it. Of course that is not just the BBC's coverage; that is the whole effect. But there was a demonstrable effect, and those were people who have consumed through the BBC. As I referred to earlier, the surveys that we have done relating to people who consume the BBC—their positive perceptions of the UK are significantly higher than those who do not. I can share that data with the Committee. As I said earlier, that is not our primary intention. Our primary intention is to inform audiences through the global perspective, but it has the effect of creating those benefits for the UK, and we have comprehensive evidence in relation to that.

The Chairman: With time running out, I have two quick questions from Baroness Nicholson and Baroness Hussein-Ece, and then I want to ask Baroness Armstrong to lead on the final subject; as brief as you can, please.

Q86 Baroness Nicholson of Winterbourne: Thank you very much. It is a follow-up to Lord Forsyth's question. Rather hesitantly, I am wondering if you should not, perhaps collectively or individually, look at more sophisticated and further-reaching analyses of the impact of what you are doing. For example, the Iranian example is so easy to quantify, but you did not touch on the obvious points, which is that there is a vast, highly-wealthy Iranian diaspora globally. We only have a proportion of it here. We would like to attract far more, and certainly as soon as sanctions go we want Britain to be in there first of all. Those things can be quantified, and you could have been analysing who came and perhaps a sample of it—who saw, who talked, who wrote and all the rest of it. If you take the World Service, Britain is *primus inter pares* globally, for example, on music. The World Service, the BBC, is one of the biggest promoters of UK music—probably of any nation's music ever. We have been *primus inter pares* with in music for the best part of 30 years. Are we going to last on that? Are you analysing that? Are you seeing what your input is, what is the impact of the Proms, for example; and Martin Davidson's contribution on music in the British Council? Are you in fact not perhaps, as I was suggesting in the beginning, a little bit too hesitant, perhaps a little bit embarrassed, about thinking about money, other than earning a living, other than running the show? You are not really using the quantification that you could be using.

Could you not look in a much more sophisticated way at quantifying what you are doing and its impact for the UK, which should lead to bigger investment from the UK into the institutions? We are looking into the past. The British Museum was largely filled with its wonderful products—wonderful items—a long, long time ago. We are not making huge investments now. You have spoken already about a smaller budget—I think somebody did—at the moment. If you want to get more, then I would suggest far more sophisticated analysis, which could answer so quickly the sorts of questions that Lord Forsyth has properly put.

The Chairman: A brief comment on that.

Peter Horrocks: Certainly the BBC's cultural role is absolutely crucial, and of course Lord Hall, as the new Director General, with his background, is very focused on that. The BBC has a section of the BBC website around the world called BBC Culture. It covers the stories of the British Museum and the Tate Gallery. It has a huge amount of British cultural content

on there. That is growing very rapidly. It gets advertising support. It is commercially supported rather than through public funding, and it is doing very well, because Britain's culture is attractive, it fits with the BBC's editorial values and it brings a commercial return as well. We have that information, and we can share that with you. So, in digital, it is much easier than in some of these broader activities to be able to survey. The costs of surveying around the world are substantial, so I would suggest that looking at digital performance as one indicator, and a proxy for some of these activities is quite useful in terms of assessing cost-effectiveness.

Q87 Baroness Hussein-Ece: Mine is just a quick follow-up from the Cyrus Cylinder, from what Dr Williams was saying, and it also part of what Lord Forsyth was saying—that you had such success when you lent it. Over a million Iranians went to see it. It is going round the world. But then has that been followed up? It seems to me that you have these programmes of lending artefacts that came from those countries in the first place and are of great significance to those countries. They go and see them. They all go home again. What happens after that? Is there any follow-up? Is there any sort of programme? Are there any exchanges? It seems to me that once you have made that contact—as you said, you have made a very good contact; you have communicated—what do you do with afterwards?

Dr Williams: That loan transaction was based on a pre-existing very long-term relationship, and that relationship continues. We have ongoing academic programmes together with the National Museum in Tehran, and that will absolutely continue. We are all about long-term relationships. The British Museum has been around for 260 years, and it is going to be around for an awful lot longer. We will only be able to be the museum we can be for Britain and for the world through developing rich relationships with partner institutions all over the world; absolutely.

Baroness Hussein-Ece: Does it develop into anything else? I know we are talking about partnerships and relationships and what you did was obviously very significant and very important for the people of Iran who arguably are saying, “Thank you very much for letting us have a look at something that was originally ours and it is very important to us—more important than it is to the British”. But what do you do with it afterwards? Do you develop some sort of exchange programme? Do Iranian young people come here perhaps? What do you do with that relationship?

Dr Williams: Absolutely. We have Iranian scholars working with the British Museum. We would not be able to do what we can do with our collections without that input. Of course, that will continue. We will be constantly looking for opportunities with that museum and with museums across the world for loans and exchanges. We are a very porous, open-ended and collaborative institution. Just to repeat myself, we are nothing without the relationships we have across the world and that relationship in Tehran is a pretty unusual relationship within the British context, and it really adds another dimension to what we can do with our fantastic Iranian collections. Clearly we need to reflect the Iranian perspective on the collections that reflect upon and come from the Iranian past. But we also want to create a global conversation so that we get the Chinese perspective on the Iranian past or the American perspective or whatever it may be. That role of being a cultural junction box I think is a role that all three institutions before you today would like to see themselves playing, and at our very best we do that pretty successfully. I cite that particular instance, because it is a really unusual one within the context of the British Museum. We have relationships in every continent, but that one is really special to us.

The Chairman: Would you like to add anything on this?

Martin Davidson: Just to respond a little bit to Baroness Nicholson's question and challenge, there are two publications that we will share with the Committee. One is called *Trust Pays*, which looks at the extent to which people's trust in the Government of the UK and in the people of the UK is changed as a result of the broader cultural work that we are all engaged in. It shows a very significant shift in both of those indices. I hasten to say that is done not by us but by an external agency.

The other one is *Culture Means Business*, which looks at the impact on people's willingness to do business with the UK as a result of this work. Again, as with the World Service, this does show a significant and real shift in people's willingness to do business, to visit the UK and to study in this country as a result of this work. I do think it is important that we are able to demonstrate that sort of impact from the sort of work that we do.

The Chairman: That does lead well into Baroness Armstrong's question.

Q88 Baroness Armstrong of Hill Top: It certainly does. We are interested in the level of co-operation between you as partially publicly funded bodies and other partially publicly funded bodies. And if I can also ask a supplementary, as we are coming to the end, is there one thing that that you think this Committee should be recommending in terms of its overall remit of the role of the British Government in improving soft power?

Peter Horrocks: The level of co-operation and partnership: I think probably from the BBC point of view it is editorially opportunistic because of the need for us to be providing a separate editorially-based judgment and because of what I set out a number of times in my evidence. If we did it simply because there is a campaign and therefore it needs to be on the World Service, our audiences would see through that. It has to be an editorial judgment. We can do a lot more in terms of the co-ordination, but with the British Museum, for example, all the things that we have heard about were reflected. Martin and I were in Egypt a couple of years ago with a fantastic event that the British Council laid on looking at Darwin's legacy and debating evolution in an Islamic context. That made fantastic programming for the World Service. We can do those kinds of bi-lateral collaborations. When the Public Diplomacy Board existed, the World Service was an observer on that. Anybody that brings more information together that allows us to be able to make editorial judgments on behalf of our audiences around the world will be welcome. There is already a cultural diplomacy group that does some good work. The Council takes a very significant role in that—and I am sure Martin can talk to that—and the BBC can be supportive of that.

To your second question, in relation specifically to the BBC and looking ahead, I would say that the most important thing would be proper understanding of the weight to be attached to the global role of the BBC and how that influences the overall political perspective towards the BBC in terms of the long-term future of the World Service and its ability to be able to act as a magnifier for all of the other aspects of British soft power.

Martin Davidson: We work closely with the BBC, with the British Museum and with a wide range of other institutions. As an organisation, while we have direct ownership of our English-language work, in the other areas of work we can only deliver anything of value by working in partnership with other organisations, whether those are the great museums and galleries or the great universities or organisations like the BBC. As Peter has said, we have already identified a number of areas in the past where we have worked closely with the BBC, including for example around the Olympics where we did a great deal of work on using the Olympics as an education link between the schools in this country and schools overseas. We are working with the British Museum at the moment on taking their Pompeii exhibition, *Pompeii Live*, around the world to something like 50-odd countries.

Dr Williams: Over 1,000 cinemas.

Martin Davidson: 1,000 cinemas. So, finding ways of working together is absolutely critical.

Could we do it better? Yes. I am quite certain that we could, and that is one of the reasons why we have brought together this cultural-diplomacy group to ask the question “How do we share knowledge about what is going on already and find ways of creating links and contacts?” Part of the problem is that there is a vast amount going on between this country and other countries, and simply understanding the quantum and understanding what is happening, looking at how we can bring that together, is a really important agenda. That is why we have worked with the organisations on the cultural calendar. There are admittedly only 11 countries, but the amount of work that has gone into that has been considerable.

The question now is: so what? What are we going to do having found out that this work is going on? That is where we are having the conversations at the moment of the kind I described a little bit earlier. How do we use the design exhibition, to do a trade show around that or to do an education exhibition around that? If there were two things that I would ask the Committee to consider—if you are giving me the chance for one, then go for two—I think they are, first of all, to reinforce that this area of work is important. It matters to the UK. It is something we are extremely good at but there is significant competition arising around the world. The second one is also to encourage this greater exchange of knowledge about what is going on so that we get some of the connections—the cohesion, the co-operation—which I think would make a great deal more of what is already happening than we do at the moment.

Q89 The Chairman: You slightly pre-empted what I was going to wind up with. I was going to ask each of you to answer a simple question. We are a Parliamentary Committee, and we should be reporting to the Government. The question for us will be: what have we learnt from these spearhead organisations such as yours which you believe, and I think it is widely recognised, are doing enormously powerful and influential work? What more would you expect? Or what less would you expect of the Government in terms of getting out of your way rather than into your way? To complete this session could each of you give us a few minutes on what you would like to see of Government and Government Departments and the Government structure in furthering your work? Let us start with Dr Williams.

Dr Williams: Thank you. Just to answer Baroness Armstrong’s questions around collaboration, I guess the best example I have of collaboration, particularly with the BBC, is the *History of the World* project. The latest figure on that is that 32.5 million people around the world have downloaded podcasts relating to that project, and the book has been translated into 13 languages and not just the usual European languages. It has gone into Chinese and Turkish, and it has become a global phenomenon. We could not have done that without the collaboration and the platform that the BBC have provided us with. Neither would we be able to have made what will become such a global success of our *Pompeii Live* broadcast without working together with the British Council. That said, we can all do much more, and we can all do it much better. But the support that we get from embassies throughout the world and from UKTI—we would not be able to grow what is becoming an increasingly important part of our global presence, our international commercial touring exhibition programme, without the kinds of support we get from other public bodies that allow us to go and talk to new potential partners and venues across the world where we can stage exhibitions in order to both generate revenue for the museum, for Britain, but also fulfil the trustees’ mandate of sharing their collections.

Making friends and partners and building the museum's reputation in countries around the world is then of course what drives inward tourism. One in four visitors to London comes to the British Museum, and one in 10 visitors to the UK comes to the British Museum. Add all the other museums and galleries to that, and you have a significant proportion of people coming to Britain largely because of our cultural offer and our cultural attraction. So, driving that inward tourism is an important part of the cultural benefit that a very active and vibrant cultural sector brings to the country.

I am sure my colleagues will agree with this: one of the things that we would most benefit from is Government looking again at questions around visa restrictions. It is clearly a very important matter for the future. There are huge opportunities. We see them from my own sector—for the UK benefiting from burgeoning audiences in China and India and around the world, and a different kind of visa regime would allow the UK to capitalise on that.

Martin Davidson: I suppose I have already spoken about a number of the areas which I think are important. I would echo the issue around visas. I think Government has to recognise that in addition to all the digital work, and there is a huge amount that goes on digitally across all our organisations, the exchange of individuals matters hugely. Creating the conditions that allow that exchange to take place is vitally important for the long-term health and prosperity of this country. So, encouraging movement and exchanges of people is critically important. I do think that as a country we have underestimated the importance of scholarships, especially, I would suggest, in some of the newly emerging parts of the world. That is both encouraging those countries who already wish to spend their money on spending people to this country as well as helping others come.

The final thing would be creating the conditions that allow organisations to make more of the expertise we have in this country but particularly helping to focus that into areas that are of greatest importance to the UK. So, I would suggest, as I said a little earlier, helping British institutions engage with sub-Saharan Africa and the capacities of those countries to develop themselves is a vitally important aspect of this. So, it is not simply something you do in the developed and wealthy world. It matters hugely in the developing world as well.

Q90 The Chairman: Mr Horrocks, you sounded as though you are happy in your new locality separate from the Foreign and Commonwealth Office. Are you happy in it, and do you want that to be developed more? What is your shopping list from Government?

Peter Horrocks: I think it is going to work for us. The BBC Trust and the BBC chairman, Lord Patten, are extremely supportive of that international role. We clearly do not know what will happen in a few years' time when the BBC's charter comes up for renewal. But I believe that if we can show that we are taking the UK's values to the world, and crucially that we are bringing the world back to the UK in the way I was describing—the way that we are using our language service teams to be reporting back to the UK, because it is about that mutuality, that exchange, that network, that the digital technology can provide—I would ask the Committee and hopefully Government to understand that to be effective in that world we are talking about being competitive with the Googles and the Facebooks and the Twitters. Those are all US companies.

For the UK to be able to punch above its weight versus the Chinese, the Russians and the American technology companies, we are going to need to have scale; we are going to need to have creativity, and that is a crucial thing that is required here. It is not always Government that can be creative itself. It can create the conditions for that. The Creative Industries Council, in which the BBC is playing an important part in terms of its international role, I think can play a part. And the Government can help to create the conditions for

brilliant content that we can then take to the world. So when the Olympics is organised brilliantly, and it was amazing material, the BBC can then take that around the world. It is creating the people who act as the exemplars. I was thinking who they are from the BBC's point of view: John Simpson in news; Sir David Attenborough in factual programming; maybe Jeremy Clarkson—not necessarily everyone's choice—as a cultural representative. But that triumvirate and having the strength of the creative organisation which can then take those kinds of emblems of Britain to the world is fantastic for all of us, and we need Government to create the conditions for that to be possible.

The Chairman: Two final questions: Lord Hodgson and Lord Foulkes.

Q91 Lord Hodgson of Astley Abbotts: I would ask Martin Davidson one very quick question. You stressed the importance of scholarships and access to our educational facilities. We get quite a bit of feedback about the unsatisfactory nature of UK undergraduate education; about the way that UK students are not finding it all that they hoped it was going to be. Do we do checks on people who have come here as to how satisfactory they have found it and how well it has worked for them? If it is bad, we ought to be learning about it.

Martin Davidson: There is a range of satisfaction surveys of students done both at undergraduate and postgraduate level. On the whole the results of those are very good. I have to say that the students are becoming increasingly demanding as we go forward.

One thing perhaps we have not touched on that I do think is important though is to what extent are we supporting young people from this country going elsewhere. A critical issue for me is that we have something like a 20:1 mismatch between the number of foreign students coming here and British students going overseas. So if we do want to engage properly with China, then we need people who can speak Chinese, who have been to China, worked in China; and the same with India and the same with Brazil. So, one of the big issues in exactly the same way as Mr Horrocks has talked about—talking in Britain about what we understand about the rest of the world—is that we need young people also going overseas; that soft power has to be seen through that lens as well.

The Chairman: That is a very important invention now that the Far Eastern universities are getting to the top of the world university league. It is our generation that needs to learn from them.

Lord Foulkes of Cumnock: You have very kindly come to give evidence before we have put out the official call for evidence. I wonder if you wanted to go away and consult with some of your excellent staff, the young ones and the women in particular, and come up with some ideas about things that you are not doing or other people are not doing, that you might do and we might do. Could you do that, do you think?

Peter Horrocks: I would be delighted to.

Martin Davidson: Yes.

Lord Foulkes of Cumnock: Would you?

Dr Williams: Yes.

Q92 The Chairman: I have one final, final question that I am going to give myself the freedom to ask. Is it a help or hindrance to all three of your magnificent networks that we are part of the European Union network ourselves; that we are rather close to Washington and the United States; that we are members of the Commonwealth network? They are three identifying labels stuck on Britain today. Do they help or hinder?

Peter Horrocks: I think they intersect. But it is the fact that the UK and this city have a global perspective that is the most important thing—that overarching view that Britain, because of its history, the Empire, the spread of the English language, can have cultural institutions that are global before they are British. But by that help, the Britishness of course can each take advantage of those, whether it is the Commonwealth or the EU or the transatlantic relationship. But it is only by staying resolutely global, I believe, that these organisations can be successful.

The Chairman: Do you have a word on that?

Martin Davidson: I would echo that. I think that the fact that we are as globally connected a country as any is a huge advantage to us. I would also say that London is without question one of the most attractive aspects of this country: not alone, but this city has an extraordinary attraction around the world, and people come here because of it.

The Chairman: Dr Williams, final point.

Dr Williams: I think from the British Museum's or, more broadly, the museums' and galleries' perspective the Commonwealth and the American contexts are very beneficial to us because we work in both areas very extensively with partner institutions, national museums, that are set up in exactly the same way as we are with a similar arm's length relationship to Government. We have a relationship with the national museum in Zimbabwe, which is governed by trustees. We have relations with similar trustee bodies all over the common law world. We speak the same cultural language. We have the same understandings of what the role of these cultural organisations is within our particular countries but also globally.

As for the European context, that is also extremely important for us. Many of our great things are from European countries. Next year we are doing a major show on Germany and German history and culture. We have talked a lot about building cultural understanding in this country and across the world of countries in the Far East and south Asia, but there is also a job to do to build cultural understanding in this country of some of our nearest neighbours. Right now we have a partnership ongoing with the National Museum of Denmark to reflect upon an aspect of a history common to all the nations of these islands, and also northern Europe—on the Vikings. The largest Viking ship ever discovered is going to be visiting London early next year.

So, in that sense the British Museum absolutely finds the American and the Commonwealth contexts very benign ones in which to work, because we speak the same language and we start from the same premises. But we also feel there are big opportunities and big needs for us to build cultural understanding of some of closest European neighbours as well.

The Chairman: I think that is an excellent note on which to end, with the Vikings, and I would like to thank you all three very much for coming on this hot afternoon and answering all our queries and questions with great expertise and learning. Very many thanks to all three of you; most grateful.

Martin Davidson: Thank you.

Peter Horrocks: Thank you.

Dr Williams: Thank you.

Nicholas Beadle CMG, RUSI and Government (Lt General Simon Mayall CB, Steve McCarthy, Ministry of Defence) – Oral evidence (QQ 42-62)

Evidence Session No.3

Heard in Public

Questions 42 - 62

MONDAY 8 JULY 2013

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Foulkes of Cumnock
Baroness Hussein-Ece
Lord Janvrin
Baroness Morris of Bolton
Baroness Nicholson of Winterbourne
Lord Ramsbotham

Witnesses

Nicholas Beadle CMG, Senior Associate Fellow of the Royal United Services Institute (RUSI), **Lt General Simon Mayall CB**, Defence Senior Adviser for Middle East, Ministry of Defence, and **Steve McCarthy**, Director of International Security Policy, Ministry of Defence

Q42 The Chairman: Good afternoon, gentlemen. Thank you very much indeed for joining us and, I hope, for enlightening us and helping us with our various investigations and inquiries. I am not going to introduce you individually because we all have bits of paper in front of us saying exactly who you are. I am told that you, the witnesses, have in front of you details of the various interests and involvements of the Members on this Committee, which may help in the discussion.

This is a very big canvas. It is an area in which many branches of government and many branches of national activity far outside government have a deep interest, and it does seem to be a very rapidly changing scene in which we need both to contribute our own views and to learn a bit as we go along. Could I begin by asking a fairly general question to all three of you, which is to make a short statement about your understanding of what soft power is? I believe that, Mr Beadle, you wanted to make an initial statement.

Nicholas Beadle: My Lord Chairman, I can wrap it up in the definition question, if you wish.

The Chairman: Right. Just before I unleash the question, can I just say this? In looking at the papers coming out of both the MoD and the Foreign Office in recent times, and indeed in going back to the work of the National Security Council on the strategic defence review of three years ago, it seems that soft power comes into your lives in two ways: one, the

military is interweaving with soft power to achieve its objectives in various theatres; and, two, soft power itself is drawing on the work of the military to pursue other objectives in the fields of trade, prosperity and building up our international reputation. There are two streams, as it were. I just make that observation because it is maybe not entirely clear in the general discussion that these are two separate streams. Can you start, when you talk about soft power, mainly by saying how you see that soft power issues have come into the conduct of military operations in recent years and going back further—maybe back as far as many decades ago in Malaya, Northern Ireland and so on? Who would like to start?

Steve McCarthy: We are all very keen.

The Chairman: Mr Beadle, the compass points at you.

Nicholas Beadle: Thank you, my Lord Chairman. First of all, I should declare an interest as a member of the court of Heriot-Watt University in Edinburgh and as being associated with the University of Exeter. In a private capacity I am an advocate, under the soft power agenda, for increased numbers of student visas. I realise that is less relevant in today's session on defence, but I thought that I would mention it overall, particularly as I came across it in my previous cross-government positions in the Ministry of Defence, the Foreign Office, the Cabinet Office and No. 10.

In setting the UK military effort in smart power in context, I would say that, in the last decade, UK foreign policy by way of UK military operations has had a profound effect on the international perceptions of this nation. That is true whether it is seen as a staunch ally in the war against terrorism or whether it is seen as a nation that is an aggressor intent on damaging, for example, the Islamic religion or, indeed, dismantling the pre-eminence of state sovereignty.

Within that backdrop of polarised opinion about the UK, there are complex and contradicting views of its enduring values. The role of increased effort of soft power is not just to reinstate those perceptions of our values but to harness them for prosperity and a more secure future. I think that soft power must be seen over time. We may come to see this brief period of interventionism in the continuum of state-to-state relations. That may be true in military terms, but with the emergence of new actors, both state and non-state, this makes a world where non-military power needs to be more carefully balanced. I will leave it at that.

Q43 The Chairman: Thank you. Mr McCarthy, would you mind going next?

Steve McCarthy: Let me start with the definition. In the MoD, we tend to use the phrase "International defence engagement". The reason we use that slightly more obscure term than soft power is that, for us, what we are talking about is in practice every defence engagement internationally that is short of combat operations. This will perhaps be relevant when we get into later questioning. In practice, we do not see a division between at least the assets that are used for what one might call hard power and the assets that might be used for soft power. If you take, for example, the issue of a ship visit to a foreign port, that is clearly a very good opportunity for us to engage with and influence whichever nation it is—or at least their navy. However, we did not build the ship for soft power purposes; we built the ship for hard power purposes, if you like.

For us, what we define as defence engagement is the whole continuum of defence activity that is not combat. It is quite important, while we are in definitions, to say that for us that means not just the military—not just the Army, Navy and Air Force—but everything that Defence has, from ministerial visits and senior official engagements to the use of the likes of

the defence academy, all the way through the entire defence machine of the UK. We tend to start with a fairly broad definition; if you want to go into more detail on that, we obviously can.

The Chairman: Thank you. General Mayall?

Lt General Simon Mayall: Thank you. Many of your Lordships are very aware of the original definition from Joseph Nye, which was “the attractive power of culture”. That was then combined with soft and hard power into the concept of smart power, which Mr Beadle referred to. In terms of using defence, military assets or defence engagement in pursuit, there is no doubt about the attraction. There is a lot of attractive power in the culture of the British military. As we know, it is excised through precisely the sorts of things that Mr McCarthy was talking about—but Sandhurst, Dartmouth, Cranwell et cetera. The attractive power is definitely there because of the calibre and credibility of the hard power that lies behind it. Our capacity to attract people through defence engagement is very firmly based on the reputational excellence that we have. Our capacity to use soft power in a way that reassures those people whom we wish to be friends with is largely based on our capacity also to deter those people whom we are less friendly with.

I would also like to take up what you said, my Lord Chairman, about the wider utility of it. In the appointment I have as defence senior adviser in the Middle East, I specifically put as my mission statement “to maximise the potential of the UK’s military relationships in support of wider British national interests”. If we come to a further question about the particular area in which I hope that I act as a soft power ambassador, north Africa and the Middle East, I hope it will become very clear that much of what we have achieved under the Gulf initiative in our prosperity agenda was very firmly by the use of what might be termed the application of cultural attraction to the United Kingdom’s military assets—well short of anything to do with pulling the trigger.

Q44 Lord Foulkes of Cumnock: I wonder if you could clarify something, Mr Beadle. You said “smart power” and then you moved on and twice said “soft power”. General, you said “smart power” and you sort of defined it as the combination of hard and soft power, but I was not clear. Could you clarify what you think of as smart power, as opposed to soft power?

Nicholas Beadle: My Lord Chairman, I think that my view of both smart and soft power has been shaped not just through experiences in government. I spent some time at Harvard with Professor Nye at the time at which he and Richard Armitage were doing the bipartisan committee on smart power. One of the many lessons from that work was that the binary definitions of what was traditionally hard power, which was seen as military power, versus soft power, which was seen as everything else, were no longer as valid as they had been. Something new was needed and I think that the emergence of smart power did more than just say that there was a continuum—it is probably better described as quanta; a spectrum with divisions amongst it. The point that was drawn from that work was that the boundaries between what was traditionally soft and traditionally hard were now more flexible. I would argue probably that hard and soft power is less defined now by the input that you put in—military or non-military—than it is by the effect that it has.

Perhaps I should use an example to illustrate that. The recent example of Russian energy policy is probably a good one. Ostensibly, on the face of it it is soft and not military, but if you view it from the recipient end, you see that citizens of the eastern European nations in midwinter have the threat of their gas taps being turned off, which is a fairly hard practical

use of power. That is probably one of the lessons that was not as well publicised in Nye and Armitage's work on smart power.

Lord Foulkes of Cumnock: It might be seen by some as a ruse to get some of the international development money channelled into the Ministry of Defence—might it not, General?

Lt General Simon Mayall: It is very unfair to call it a ruse. The idea that you can box up the military and say, "There is a box marked 'hard power' and its only utility is in crises, wars and conflicts," is, to my mind, to lose a huge national advantage. In many cases, issues of security, stability and capacity building—all of which help the development of a country—are ways in which we should use the military when not engaged in conflict. I would like to think as we withdraw from Afghanistan that we are not simply an organisation that is either on operations or sat back in the United Kingdom waiting on contingency, but that we are used in a classic smart power way by Governments of whatever hue to pursue British national interest. That interest is often quite selfless. It is very firmly in our interests and values to create the stable conditions under which precisely the more traditional development—aid, money, systems and processes—can flourish and take root. It is hardly a ruse; I think it is a very sensible way to view the military as a real, national asset, beyond old-fashioned definitions of "conflict" and "not conflict".

Q45 Baroness Nicholson of Winterbourne: The USA is thinking hard about this, much of it based on the Iraqi experience. You will of course recall and know better than I do that in General Chiarelli's gap between his two assignments he wrote that hugely important piece. That was followed by some material from General Hammond and finally by Petraeus and so on. As a result, five departments are now studying this very issue and trying to balance up which department should take which part of the responsibility. Do you feel that it is time we did the same and did a very serious analysis of this? I know that there was a tri-departmental committee that sat for a while because of the crossover with some of the ministries in Iraq at the very beginning but that seemed to more or less come to nothing, whereas the States have taken this very seriously. The DOD came to see me only 10 days ago to discuss how this is moving. How should we do this, and are we too small to address it like that?

A question on the margins is the definition of what to do, and what activities this should cover. Do you think that there is any way in which there could be those activities? I recall well watching the UK military for example setting up local councils—a fantastic initiative. Should that also incorporate civilian health or some sort of other stabilising factors? Where are we on this? Are we moving ahead or are we sitting in our normal positions and saying, "Well, these budgets belong to so-and-so. Those budgets belong to another department," and somehow it is not going to work?

The Chairman: To add to the first bit of Baroness Nicholson's fabulous question, are we following the Americans or leading them? Here is their book, the *US Army/Marine Corps Counterinsurgency Field Manual 2007*. Do we want the same thing?

Steve McCarthy: To slightly boastfully answer that last question, we are leading them. To come back to your point about the experience starting with Iraq, that committee still exists—it has changed its title a few times—as a thing called the Building Stability Overseas Board. I am one of the members, from the MoD. Colleagues from DfID and the FCO are the other members of the board. We manage and oversee a line of funding that comes from none of our own departmental budgets but is funded and voted directly from the Treasury,

called the conflict pool, which we use to fund programmes and activity in areas that are at risk of instability or conflict where this joined-up approach really makes a difference. The buzzword for it is “defence, diplomacy and development”, all in one place.

You mentioned scale and size. We have an advantage in scale and size. I know the American system relatively well, having worked there for a while in my past. The US system, because of its size, and because of the way in which budgets are so carefully monitored and voted by the Congress, has great difficulty in funding what they would call interagency operations going on.

I had conversations for example in the Pentagon about two years ago about how we make this work in the UK, to which the short summary from the US side was that we could never do it like that here because of the way in which their system is structured.

Interestingly, one of the other points is that the US is broadly trying to catch up not only with the UK but with a number of other European countries, which are also somewhat more flexible in the way they can do things and are a bit further ahead of this game, as we are. We definitely see the value of doing these things in a joined-up way. The example that you used is replicated in numerous places. If the military happens to have from the UK perspective a certain number of particular skills to offer, or alternatively—this is very often the case—the recipient country happens to structure itself in such a way that the military is a very influential part of its society, using defence capabilities to underpin other more social developments can be a very effective way to do business and to improve their security.

The short version of where we are is that the committee still exists. We meet every month—we have a meeting on Thursday this week—and we are looking at trying to increase the level through which we use not just those three departments but the broader NSC machinery to bring in other departments that could play a role.

Q46 The Chairman: General Mayall, did you want to say something?

Lt General Simon Mayall: Thank you very much, my Lord Chairman. I remember, when I was working with Peter Grayley, that Baroness Nicholson was quite rightly very impressed with how much money the American commanders had been entrusted with for soft power. I am not sure how effective that was, given the circumstances at the time. As a result of the school of hard knocks in 10 years of operations, I think we have got much much closer through the PRTs—the provisional reconstruction teams—and the like to DfID, to the FCO, to the NGOs. In some ways, we have replicated our activity in campaigns such as Malaysia. I think we have broken down some of the stove-pipes in personal relationships and understanding. I think that people who would automatically have associated people in uniform with a gun as simply stove-piped, as I said before, saying, “You do the hard end—security, defence, conflict—and we’ll do this”, have realised the synergies that we can create by creating the conditions on the ground within which the more traditional organisations that you would expect to take forward development can do so.

I do think that we have an issue over funding, but I think it is the natural competition between bureaucracies, particularly in a time of austerity. I think that we should absolutely investigate the capacity to think more of every aspect as an asset for the United Kingdom.

On the point about soft power, because of the historical experience and the reputation that we have built up in very ambiguous circumstances, the United Kingdom Armed Forces—probably the land forces in particular, because inevitably they are the ones who are most on the ground dealing with other agencies, other government departments or obviously the people—prove to be hugely effective in areas that we have operated in. This has been a

force multiplier, undoubtedly. It has provided its own force protection. That attractive nature, backed up by the credibility of being a well equipped, well trained, well disciplined Army, Navy, air force of a certain size gives us influence with allies, dare I say it with opponents, and with natural colleagues in the operating space.

Nicholas Beadle: I would just add a couple of points. I am largely in agreement with Mr McCarthy and General Mayall. However, I would sound a couple of notes of caution. First, size is important in order to get things done. It is sometimes a matter of total expenditure in order to make progress as rapidly as it is needed. It is one thing to have a plan to counteract, for example, drugs in Afghanistan over the next 15 or 20 years, but without sufficient resources that will not come to anything, and the space will have been lost in the meantime.

The second is that I do not see much prospect of the UK Government, irrespective of who is in power, delivering the sort of speech that, say, Robert Gates made in 2007—the “man bites dog” speech, as it was known. The Defense Department was seen as having an imbalance with the State Department, which was able to say that the Defense Department had more lawyers than the State Department had deployable diplomats. Clearly something was wrong with that, said the Secretary for Defense. My ex-Ministry of Defence colleagues will probably not thank me for saying that, but I do not see much prospect of that sort of rebalancing coming in the current framework.

The Chairman: Do you want to follow that up, Baroness Nicholson?

Q47 Baroness Nicholson of Winterbourne: I have a quick follow-up question. Is it possible that the imbalance in the UK, if there is one, is the other way around? If you look at the military budget and the way in which the military uses its soft power budget, you see extraordinary economy and maximum output. If you look at the DfID budget, which is extremely large, and you wonder what the definition of development is, could there be an imbalance? Could we examine this the other way around?

The Chairman: You need a microscope to see the Foreign and Commonwealth Office budget. Could there be, as Baroness Nicholson says, a certain imbalance, given that the more we talk, the more it is clear that we are all in the same strategic position?

Nicholas Beadle: Perhaps I should re-address the balance that I presented before. I do think that the Ministry of Defence has in the past been very efficient in its deployment of resources in the soft power area of its operations. The inevitable change from the Department for International Development’s budget being driven largely by issues of poverty into being driven by ones that are more about the national interest certainly allows for a little of that rebalancing.

In terms of the American system, I will make just one final point—about the then Defense Secretary, Robert Gates, who did not rescind the order that allowed their military to take charge of both military and civilian affairs in an area where the civilians were unable to do so. We have experienced some of that ourselves in Iraq, where in my opinion we have clung to the principle of civilian control for civilian projects, perhaps to the detriment of achieving the ends.

The Chairman: Very interesting. Lord Ramsbotham?

Q48 Lord Ramsbotham: Before coming to the international defence engagement strategy, which intrigues me, I will make three little observations. First, Mr Beadle, you mentioned size. I hope that in size you include the word “sustainability”, because it has

always seemed to me to be rather like that desperate operation in Uganda where we provided a contribution for only six months. We could not sustain all the good that that was doing.

Simon, you mentioned influence. I always remember visiting the UN operations in Somalia, and asking Admiral Howe, the American admiral in charge, whether there was anything that he would like. He said, “Yes, I would love a British officer in headquarters”, because of what a British officer could contribute. My question stems from two things. One was remembering when we went into Bosnia and the very close co-operation between the MoD and the then ODA; they were hand in glove. The second was visiting Afghanistan and finding almost a disconnect between the military, DfID and the FCO. I was deeply unhappy about this and came back deeply disturbed, in fact by the briefing that we were given by DfID, which appeared to bear no relation to what the military was doing. Nor did the military commander have any influence over what DfID was apparently doing. I found this alarming.

My question about this international defence engagement strategy, which I am sure is a very good thing to have, relates to two things that we have heard here. One is that the soft power direction is coming from the NSC, so I would presume that this international defence engagement strategy is part of it. Secondly, however, the influence that it appears to be having has always seemed to me to be what the FCO did, with the MoD in support rather than in the lead. I wonder whether you could educate me.

Steve McCarthy: The answer is in reverse order. On the last point, the international defence engagement strategy is a joint FCO-MoD document, so it would be only fair to say that neither of us is in the lead in that sense. However, the vast majority of the resources that underpin the delivery of the strategy, which is obviously what really matters, come from the MoD. Certainly my Secretary of State would be quite keen to ensure that he had very firm hands on where we use our resources. It is quite an important part. One of the reasons why we produced the international defence engagement strategy in the first place was to try to get further towards the second point that you made about connectivity. DfID is a member of the board that oversees the IDES as well. I am certainly not saying that co-ordination cannot be better, but it is actually pretty good in those senses. The defence engagement strategy is designed to try to ensure that where we deploy defence assets, they are deployed of course for defence reasons but also in order to make a real contribution to a broader HMG effort. That ultimately brings us back to the NSC, the priorities and the direction that it sets.

I might also just offer you a thought on sustainability. You very sensibly made a point about six-month engagements. One of the decisions that we took, I think, two years ago on the conflict pool, which I mentioned earlier, was to enable individual projects in individual countries to bid for funds for up to three years, specifically to do two things: the first was to fix the sustainability problem which you mentioned; the second was genuinely to try to get better value for money out of this, too, on the basis that if you are doing training and other repetitive activities, which does not apply to all programmes of course, you ought to get more efficient at those the more you go on over time. If you have only an annual budget, you cannot plan to do that, so you are in effect planning potential efficiency out of the system.

We now have a number of programmes that are forward-funded for three years. Actually, we are now in the second year, so there will be another two years' worth. Our intention would certainly be, subject to what the next Government decide and the funding that is put back into that pool, to continue that effort, because we absolutely recognise that this is a long-term game that you cannot play on an annual basis in many cases.

Q49 The Chairman: General Mayall?

Lt General Simon Mayall: Thank you very much, my Lord Chairman. I will answer, if I may, some of Lord Ramsbotham's points. On the international defence engagement strategy, I absolutely echo what Mr McCarthy has said. In my business I look on myself as a force multiplier for the Foreign and Commonwealth Office and for Her Majesty's ambassadors around the Middle East and north Africa. I could not do the work that I do if I was not absolutely hand in glove with the FCO and HMAs. In fact, I am funded partly out of the Conflict Prevention Pool from DfID, UKTI, the FCO and the Ministry of Defence, which I think is absolutely right, because it is through the prism of a senior bloke in uniform with sustained, high-level personal engagement precisely bringing this UK brand to countries around the world that really welcome it, and I cannot tell you how much it is welcomed. We are sometimes a little backward leaning, or self-deprecating, in understanding precisely what the UK military is, as part of the United Kingdom. I very much go to the ambassador and say that I want to be used as a golf club in his golf bag of engagement. In the Middle East, as you will well know, my Lord Chairman, security is the big issue, so it is important to meet those security concerns by demonstrating that we are reliable, long-term, strategic allies who they most want to deal with. The Americans, fundamentally, are too big, but they are the ultimate guarantors. The French, in many ways, have been very successful in using the soft power influence of their defence. I will come back to that in a minute. We should be more aggressively engaged in a part of the world where the door is wide open. Through the GCC, or dare I say it the Commonwealth, where we have this very long historical and massive network of connections, as you well know my Lord, I think we can do more. As I say, I very firmly do this through the prism of defence and security, because in many parts of the world that reliability is what they most want.

I have to say that the French engagement is very heavily tied into *raisons d'état*. Their deployments around the world, including in the area that I work in, are very well thought through and very well funded, and they are very well engaged in the area. In the UAE, they have a three-star French admiral, a French Foreign Legion battalion, a squadron of Rafale aircraft parked permanently on the ground—well, occasionally they take off—and a small naval port. As I said to the Secretary of State, he has me, and I do this for 13 countries. The French absolutely get defence engagement in support of wider French interests. I do not want to say that defence engagement gets you defence sales, although it does up to a point, but defence sales are important for defence relationships, which of course are terribly important for national and international relationships. We talk in the Army—Lord Ramsbotham will be very aware of this—about the reactive force and the adaptive force. I would like to think of it as an engaged force that is very firmly viewed through the much wider prism of UK national interests. I think this is what the international defence engagement strategy is pointing to quite clearly—to political and diplomatic objectives—but what gives us this soft power influence in many places is the defence engagement part of it.

If I may, I will make just one or two more points. The influence thing is absolutely critical. One of the core qualities that we bring is our planning. Interestingly, we put something like £800 million a year into the UN peacekeeping organisation. UNIFIL costs about £800 million itself, and we contribute 8% of that: £40 million. We do not put a single officer in there. If you put a single officer in there, you get a union flag flying over the headquarters and you have influence. Some £40 million of British taxpayers' money goes into UNIFIL, but nobody knows that we have any engagement there because we do not put anybody in. We are a bit purist about this sometimes when we "exercise". Again, I come back to influence being based on credibility. People want the UK in there, and I think Lord Ramsbotham was

absolutely right to have spotted that. I am not saying we should spread ourselves thinly, but we have a credibility that goes with our capacity to do very joined-up, joint, all-arms operations in coalition warfare, et cetera. That is what gives us that influence, but there are times when, particularly in the current climate, we should not just come off operations and sit back at our home base; we should be out there absolutely getting that leverage that Baroness Nicholson recognises so clearly.

The Chairman: That is so interesting. Thank you very much. Baroness Armstrong?

Q50 Lord Ramsbotham: Can I just follow that up? I am very interested that you mention the Lebanese force. Out of interest, when we have withdrawn from Afghanistan, presumably we are thinking about what we are going to do with the forces that we have available, and we may be able to think of providing that sort of influence.

Lt General Simon Mayall: That is what I like to think. I do think that we are in the business of stability. I think that Lebanon is hugely important to us. The contagion effect of Syria is ghastly. We slightly go to these places that are important to us and do not commit even small numbers, which would give us influence, of hugely well trained staff officers, as you will know, my Lord, from Shrivenham, which is excellent. They are a massive asset to commanders who are looking to find their way through very complex operations, so we lose the capacity to link this back to our foreign policy objectives and then to our government objectives. Very small amounts of well-focused defence engagement give us very important amounts of global influence.

The Chairman: That is a very important theme. Baroness Armstrong?

Q51 Baroness Armstrong of Hill Top: I want to take us back to the point about balancing, but first I must declare my interests, as registered. I particularly ought to note my involvement with Voluntary Service Overseas and with the Tony Blair Africa Governance Initiative. I am on the board of both. It seems to me that the balancing act between the military and non-military departments is very important for government diplomacy and support internationally. I have to say that as a member of the Cabinet during Iraq, we were not really convinced that DfID and the Ministry of Defence were exactly working as one, to put it mildly. It does seem to me that there are occasions when it is perfectly within government policy—I am not saying this about Iraq, actually—to have military involvement, both hard and soft. However, non-military intervention in effect is also required, because we will want to build civil society, and a military aspect to that might be unhelpful rather than helpful. How do you work on all that together, making sure that across government there is coherence and understanding of the strategy while deploying totally different personnel, if you like?

Steve McCarthy: It is a really difficult act. One of the things that we have to grapple with, of course, is that when there is clearly a crisis, some instability, in an individual country, the balance is not just between what you deploy and when you deploy it, but between the circumstances and the international system that you are deploying it in. In other words, this is not just the UK as a single actor; there are likely to be numerous other countries in a similar respect.

Co-ordination is one of the biggest challenges that we face, not just internally, which your question related to, but externally. Unfortunately these things always grind rather more slowly than one would like, but in the context of the overall setting of priorities from the NSC downwards for countries which the UK believes not only have risk and instability in them but which are particularly relevant to our own interests, we have begun to drive a

much more strategic approach to thinking about which departments have what assets and which ones make the most sense in the circumstances of the individual country. A really good example of that was the Libyan situation of a couple of years ago. In that conflict, there was clearly an issue about the extent to which military engagement in attempting to rebuild the structures compared with the civilian engagement was the right thing. The answer was that a little of the military aspect was needed, too, because some of this was about the security situations and the security structures, but mostly it was a civilian advisory effort, based on how to restore a judicial process or a governance process. Some of the answer is that in every case we really do try to draw a balance. We are also very keen to be flexible in this. The situation on the ground in any country may well change over time, and things might have to shift in the balance of where we are.

I am afraid that is quite a long answer, and probably a slightly platitudinous one, to a perfectly valid question. The short version is that it is a balance and we try to make it as easy as we can.

The Chairman: Order. I am afraid that we will have to stop for five minutes because there is a Division. We will resume in five minutes. I apologise to our witnesses, but that is the way it all seems to work.

Sitting suspended for a Division in the House.

Q52 The Chairman: I think we will resume. We have quality here, if not quantity. We have been concentrating so far more on the military end as well as on what soft power does for military engagements, and on the balance between overwhelming force, if we might put it that way, and winning hearts and minds at the other end. I think we will have just a few more questions in that area. Lord Janvrin, would you like to talk about that? Later, we will get on to supporting national interests.

Lord Janvrin: I may broaden my questions into that.

The Chairman: Okay, let us just stay with the military side for the moment and ask this. What is new about trying to win hearts and minds? We did it in the Malayan emergency 50 or 60 years ago. Why has it become more difficult and more important, and why is the military, both here and in America, saying that we must have more civilian involvement right up at the spearhead of operations? What has changed?

Nicholas Beadle: Experience has changed our thinking, certainly over the last decade. I was in Baghdad in 2003-04 as the senior coalition adviser on creating a new ministry of defence, and I learnt a great deal about the Iraqis' perception of the way in which the coalition was approaching these issues. It stood me in good stead, because in 2005 the FCO asked me to be the HMG representative on a new campaign strategy, or rather an alternative campaign strategy, which was to be reviewed in the light of developing existing strategy. Rebalancing the hard and soft power elements of the campaign was clearly necessary. The existing campaign plan had been drafted largely so that the DoD and the State Department could very much do the things that they were doing. Everybody could point to something in the campaign plan and say, "I'm doing that", and carry on. It was largely hard for the military and soft for the State Department. We based the new work on the Malaya campaign. This report for the President, which was shared with our PM, suggested an ink spot strategy and looked at creating elements—I hate to use the phrase "safe havens"—whereby through a process of clear, hold and build we would allow enduring security and a demonstrable and long-lasting, or sustainable at least, improved standard of living for the people inside. This was in order to attract others in. At the end of that it was clear that we needed two things. One was that

we needed more troops to do the clear part of it. Partly as a result of that and partly as a result of other deliberations, the military surge came along and unfortunately was not matched by the soft power surge, which had been indicated as being absolutely essential. The problem with that was that we ended up having enclaves. Unfortunately, they were created by the militia, which totally undermined the essential element of this, which was the monopoly of force with the legitimate Government of Iraq. I use that as an example, because to an extent we had similar problems in the south with the UK campaign, in so much as there were elements of the military, which had one strategy, and elements of DfID, which had another. If you bear with me, I will move quickly to Libya and try to contrast that with this to put this into perspective to show how far we have come.

Q53 The Chairman: Give us examples. That is fine.

Nicholas Beadle: I think this is a different case altogether. The way in which we found ourselves in the lead is a very interesting study in power politics. Once there, I have to say that the Prime Minister, with the new NSC, did a very good job of balancing the hard and soft power elements and matched them to the circumstances on the ground. I worked in the National Security Council Secretariat in support of the National Security Council at the time and throughout the Libya part, and I have to say that the range of issues covered should not be underestimated. Without revealing any secrets or anything else, I can honestly say that the soft power effect was a major consideration throughout our deliberations. There was clearly pretty much unanimity on the humanitarian efforts and the supply of non-lethal weapons, and the departments pulled together, at least at the beginning, in order to deliver those. Of course, the fact that our air support, as part of the coalition, was acting legitimately under the UN principle of the responsibility to protect, which has been an extremely important development over the past 15 or 20 years, will both bind us and give us that international legitimacy, which is so important if you are selling a soft power agenda; you have to have this legitimacy. The “we do not act unless it’s legal” approach is all well and good here at home, but of course it does not count for very much on the ground. Unless we keep working on the nature of our role in a conflict over time, history shows us that we can slip into a position where the conflict regresses again, which we need to avoid. Even in Libya, we are seen as liberators at the moment, but that is not something that one can rest one’s laurels on. We need to keep working at that.

Anyone who thinks that launching a Paveway missile from a combat air sortie is any less hard than a ground attack is, I am afraid, very much mistaken. It is really damaging, whether we hit innocent civilians from 10,000 feet or 10 feet. This is an area that we have to concentrate on. One of the real lessons for me of Libya was seeing the extent to which the targeting process, both here in the UK and in NATO, had been tightened dramatically from previous conflicts. We had learnt lessons from Iraq and from Afghanistan, and that was a very positive move. Not only was the collateral damage bar set very, very low, but a material collateral damage consideration was also made. I will give one example from the energy field, my Lord Chairman. I ran the oil and gas cell, and I think that you helpfully joined us at the FCO to talk to overseas oil people in order to help them to get back in in due course. As part of the remit was to deny supplies to the regime element, one of the things that we looked at was a relatively easily pushed concept of getting rid of one of Libya’s largest refineries, Zawiya, which is very close to Tripoli. We knew that Gaddafi was using this to supply his forces, and it was quite an obvious target for us. However, our considerations included, first of all, whether it potentially supplied fuel to the hospital. We did not know that for a fact. As it turned out, it did not, but we did consider that as an issue. The second consideration was that it would cause at least £1 billion of damage, and we were thinking of our soft power approach towards the end in the post-conflict arena. The third was the time it would have

taken to reinstate that capacity. It would have meant that the incoming Government could not have been seen to be providing for their citizens. We thought that these were all important considerations, besides the usual consideration about the potential for civilian casualties.

The decision was taken not to do it, and I think it was the right one, but it is a very good example of how the soft power element of decision-making has developed over recent periods. That is just one anecdote of how things have changed, but I think the overriding principle is that if we are not going to lose the peace, we have to be very careful to match our aspirations in the military field to the post-conflict situation.

Q54 The Chairman: That partly answers the question. General Mayall, you were going to say something.

Lt General Simon Mayall: I would like to comment, if I may, but after Steve McCarthy.

Steve McCarthy: Briefly, there are three things. First, on the question of why things have changed, I think it is the nature of conflict. It is quite hard to find a scenario in the 21st century where a military intervention alone will solve the issue. The second is economics. We simply cannot afford to have different departments doing different things for different objectives any more. It makes no sense at all. The third is the view from the other end of the telescope, from the recipient countries of our involvement, which do not see the Ministry of Defence, DfID, the FCO or the Home Office from the UK; they see HMG, the UK. Getting those things together and tied up are really why we have to do this in a more co-ordinated way.

The Chairman: That is a very good point. General Mayall.

Lt General Simon Mayall: Just to segue from Mr McCarthy, we are not dealing fundamentally with existential threats from military force. We are intervening in areas where we, nationally or in co-ordination with other people, have deemed that the international order has been upset and requires an intervention. It is normally instability. We have learnt from the school of hard knocks that military intervention is rarely decisive. It keeps taking us back, dare I say, to Carl von Clausewitz, who said that war—or, frankly, any defence engagement—is politics by other means. For us in the military, the key word is relevance. How are we using our military force relevantly to the situation? I remember David Petraeus in Iraq always having this great cry, “Tell me how this ends”, and constantly and quite rightly bringing it back to the politicians to say, “What are your objectives here? What are your strategic aims? How can I manage the application of military force that is appropriate to your strategic political aims as stated and how can I make sure that they are appropriate again with the other instruments of national power, and wider than national power, being employed on the ground?”

One of the key things for us in the British military has been a mixture of experience, as I have said, but also education. It is about the quality of the education of our officers and all the way down through our soldiers back to Rupert Smith’s strategic corporal. Are you using military power—that is, an individual or a weapons system or a formation—that is relevant to your objectives? You could talk about the intrusion of the media, but you would rather hope that the British military are operating to morally and ethically high standards anyway. Perhaps I may use an anecdote. When I was in Kosovo, at a time when there was very little threat, either from Serbia or internally—because we were to an extent defending a revolution there—I gave us the centre of gravity, the thing that we the military needed to put our effort into: public ambivalence to the rule of law. That may look like a rather odd

military mission, but, to my mind, organised crime was a bigger threat to the future of Kosovo than Serbia. For my American friends, any idea that you would use hard military power to help set the conditions to tackle organised crime was well outside their remit. I felt that that was quite comfortably within the Government's objectives, so we used a mixture of security and intelligence to build up task forces, in conjunction with the ambassador there, the senior policemen, the senior judges and the senior prosecuting authorities, and via information operations—in which we had a lot of assets—in order to create the conditions whereby we could lift some of these people without having a security riot on the street.

The Chairman: Baroness Armstrong, we were interrupted by a Division. Had you finished your questions?

Baroness Armstrong of Hill Top: Yes.

The Chairman: Then Baroness Hussein-Ece is next.

Q55 Baroness Hussein-Ece: Before I start, I also have to declare my interests as recorded, drawing attention particularly to my visit to Khartoum in Sudan. I should also highlight my interest in Turkey, given my background as chair of the APPG on Turkey.

I was very interested in the comments that Mr McCarthy made just now, because it prefaced what I was going to say: that we are only just beginning to look at the other end of the telescope. I am just wondering how much that has shifted in terms of foreign policy and what we look at as our interests, whatever they may be—be it implementing trade, peacekeeping, nation-building or bringing stability. I was struck, right at the beginning, by what Mr Beadle said. When talking about soft power, he used the phrase “damaging ... the Islamic religion”. That ties in with looking at the other end, because depending on where your starting point is, the perspective is obviously very different. I spend a lot of time in Turkey and am from a Muslim background myself. When I talk to people from different communities, both here or anywhere else, I find that their perspective is very different. The narrative seems to have changed completely in terms of military intervention and defence. They see what has happened with Iraq and Afghanistan, the lessons learnt, as being quite destabilising, and how we are trying hard now to repair the relationship and the perception of what we may have wanted to achieve and what we are leaving behind. What is your sense of soft power in terms of legacy, of using our very important historical networks in how we approach that legacy and of bringing sustainable stability and proper programmes to these countries in order to rebuild civil society? It is a reputational thing. Of course, the military has a very good reputation, but it does not have a very good reputation particularly in respect to the Middle East.

The Chairman: Just to add a spike at the end of that excellent question: how do we know that the military are held in good regard around the world?

Baroness Hussein-Ece: I was being polite.

The Chairman: The military over the years have not always been popular, so how do we know? General Mayall, you were saying that they are all seen pretty well and I hope they are. But how do we know that? How do we measure that?

Lt General Simon Mayall: The number of people who beat a path to our door for defence engagement, places on our courses, training teams, loan service officers. If I could bottle the

appetite for British military engagement, I would be a billionaire. It is huge and it is transferable. In terms of our influence on the security state apparatus that we deal with, I think we are a huge force for good. I stand fast by the Baroness's remarks on objectives that we have been associated with. I would like to slightly ring-fence the education and training that the British military can take as well as our role and I think our behaviour, broadly speaking, for the hundreds of thousands of service men and women we have put through these operations. I think we have little to be ashamed of within our own organisation—with some very obvious exceptions that have been prosecuted quite rightly through due process. But I do think that a huge path has been beaten to our door. I am delighted to say that I take great pride in that.

Q56 The Chairman: Now, Mr Beadle, you look as though you wanted to add to that. Did you?

Nicholas Beadle: Very briefly. I would agree with General Mayall inasmuch as that is government-to-government and military-to-military relationships. I think it is somewhat different when looking at the other end of the telescope, as citizen to citizen, which is far more prevalent at the moment than it used to be with the advent of social networks and the ability for people to make their feelings known. In that complex environment, it is very difficult to know how a process or a procedure that you put in place in terms of soft power is going to work out. Not all of it works out very well.

I would also just like to touch on this issue of our own diaspora, for example. Certainly within Afghanistan or, perhaps, a very good example might be Pakistan, we clearly have very important, strategic considerations and we also have a very strong Pakistani diaspora. Now, what they think about what we are doing is quite clearly key to how other people feel too. Some of the work I did when I was running the Afghanistan communications and strategy teams across Government was to look at the diaspora and how they felt about the approach that we were taking. I was quite surprised, actually. Apart from it being a little bit more about why we were expending money on this, that was rather stronger than the issue about our approach or attacking their home country. It was very interesting that that came out. But I think it is part of what Professor Peggy Levitt from Harvard mentions in her book, which is called the social imaginary. People in Pakistan get news from people in the UK about the UK. It is that which has a very strong effect on their perceptions of the UK. It is not what Government put out on a press release. It is not necessarily what we say in terms of international conferences. It is far more about this individual-to-individual communication.

The Chairman: That is very interesting.

Baroness Hussein-Ece: Can I just press you on that, Mr Beadle? What did you mean when you said about damaging the Islamic religion? What did you mean by that?

Nicholas Beadle: On those particular interventions, in particular on Iraq rather than Afghanistan—and, to an extent, the way in which the war on terror was initially conducted and potentially, I suppose, now the drone attacks and so on—there was the issue of the type of approach that we had taken. I think we were associated with something which left no room for negotiation—left no room to talk to these people. Arguably, of course, we are changing how we are approaching things now. It did lead to one or two things; and I am sure Steve McCarthy can elaborate on this. We did bring forward a number of other initiatives at the time such as Prevent and CONTEST and so on. It was not that we were unthinking in government. I just think that the overwhelming impression was that we were doing too much.

Q57 The Chairman: Lord Janvrin, and then I am going to come to Lord Foulkes; it is your turn.

Lord Janvrin: I will broaden it if I may.

The Chairman: Yes, well, what we are doing I think is sliding a little from the issue of how the military in hot combat situations need to mobilise the civilian soft power element, into how the military are going to fulfil their contributions to our national interests in prosperity, sales, equipment and trade. We are beginning to cross over between the two, but I do not mind. We have to cover both, so please go ahead.

Lord Janvrin: For many people, the whole concept of soft power is more about culture, cultural diplomacy, education, and, above all, trade and business, and, if you want a sort of jacket around that, something like the GREAT campaign, which many of you will be familiar with. That is what, to many people, soft power is all about. It is more and more being interpreted, as you said, about citizen-to-citizen contact rather than government-to-government or military-to-military. In this context—and that is what we are looking at, this rather broader canvas—I have two questions. To what extent is the kind of joined-up thinking that you have been doing with defence engagement, bringing together diplomacy, defence, development—connected with this wider field of trade, education, culture, et cetera? The second part of the question is: can we learn from your experience of trying to join up defence, diplomacy and development in terms of the broader canvas in how we link what we are doing with trade, with business, and with the prosperity of the nation?

The Chairman: Right, well, the next half hour can cover that. But these are the keys. How does the defence establishment fit into this new world in which you are an army or a navy or an air force, but the other side—your opponents—are not? It is all counterinsurgency; it is all irregular warfare. You have to integrate with the civil side to make any progress. That is what is being discovered by everybody now. Secondly, in doing all this, what is your impact on the bigger interests of the nation, including, as Lord Janvrin says, the trade and prosperity and general good will? Is trade going to follow a flag, or is it going to follow all kinds of new forms of soft power?

Steve McCarthy: I think this is multidimensional. Even just within the defence bubble—and I take your point about broadening out—there is, in its own terms, educational activity and trade activity as well. But, to get to what you were really asking about, one of the things we increasingly do across Whitehall is look at countries, particularly priority countries, on that very wide pan-government basis and look at what—I think in a rather ugly phrase—is called a golden key that might unlock a relationship between the UK and whichever state we are talking about.

Although you said that one of the issues is in some cases that it might be the military at this end doing it but at the other end it is the civilians doing it, actually, the opposite is also true: in many countries that we engage with around the world, things that are done in this country by civil society, in those countries are done by military people. Burma is the classic current example of that. One of the reasons why, following the Prime Minister's visit there, we put a lot of effort into re-engaging with Burma in a defence sense is that a lot of Burmese society, whether we like it or not, is influenced by the military. So there is a really good opportunity there to sustain issues to do with democracy and the rule of law by engaging at a defence level because they can, we hope, see that that is the way in which in the UK the military operate—within civilian societal control. The point about the joined-up-ness was my reference earlier on to the view from the other end of the telescope because ambassadors

through history, I suspect, have torn their hair out, with one department in the UK wanting to do something that is completely out of kilter with the broader aims of the ambassador and his staff or the way in which it is received in the individual country.

So we are increasingly trying to make sure that not only do we use the levers that we have in the right way, but they are pulled in some sort of harmonic arrangement with the levers that we are also trying to pull in other departments. We have done this for a number of countries, particularly those that are loosely called the emerging powers, where the nature of the UK's relationship really fundamentally needs to change. It is usually not a country with which we have had a long-standing historical connectivity—some of them are—but we know they are going to be very key players in the future, at least economically and probably politically. We have to develop those relationships with them, and that may be done through an increasing defence engagement but it is more likely to be done by that as part of an overall global approach. So we are definitely trying to get that. Are we perfect at it yet? No, absolutely not. But we are trying to make those things join up.

Q58 The Chairman: General Mayall, would you like to say something?

Lt General Simon Mayall: I think, coming back to Lord Janvrin's point about soft power, when you apply it to defence you have to assume that part of the attraction of the non-conflict aspect of defence is that it has got credibility. That reputation is partly based on credibility.

I would say that various different parts of the world respond to different applications of the instruments of national power. In the Gulf states for instance, where I spend a lot of time, they genuinely believe that they have an existential threat that is coming from Iran. Although our intervention would be with a third party or, as you say, counterinsurgency and stability, they are of course seeking a rather more conventional set of defence relationships which are based on rather more conventional forces there. The nature of the Gulf again, as noble Lords are very aware, is one of very small decision-making elites in which defence has been the key concern they have as a family regime country. This means that if you can approach countries in certain parts of the world through the defence prism, clearly you have a chance to influence them on a range of other issues.

I talked earlier about the Americans, the French and probably ourselves in the Gulf. As P5 members, these people have no doubts that they wish to have friends who have influence around the world; the United Kingdom clearly is one of them. Then, as I say, the balance there between the political, the diplomatic, the military and commercial is one aspect. If you go out to the Far East or South America, quite clearly there is a very different balance. The application of the soft power advantage of the military, for instance, other than providing some technical support in South America, is hugely different compared to the Middle East, where we offer, up to a point, security guarantees to people who are key to our own prosperity and security.

Undoubtedly, in parts of the world—I say the Gulf, and come back again to the Commonwealth where we have this long-standing historical and cultural affinity—we translate those defence relationships into commercial advantage. Some of it is because they are prepared to pay for our education and training. It comes back to beating a path to our door: they would rather come to Sandhurst than they would to West Point or Saint-Cyr. Some of it is because they will pay for our officers to actually work within their armed forces. Part of it is clearly defence sales, because they are buying a relationship through that which, in the case of something like Typhoon, is a relationship with the Royal Air Force as much as BAE Systems. Part of it, of course, is that in terms of sovereign wealth funds, oil and

gas energy concessions, contracts to meet their own health education requirements for burgeoning and increasingly young populations, they will favour the United Kingdom. Again, it comes back to what the objectives are, and having a really good assessment of what is the most attractive part of the United Kingdom offer that gives us a competitive advantage. In some parts of the world it happens to be defence, through the prism of meeting some of their security concerns.

The Chairman: Different markets, different approach. Absolutely; very good.

Q59 Lord Foulkes of Cumnock: I was on the Joint Committee on the National Security Strategy for four years and two successive National Security Advisers gave evidence to us. You know, Mr Beadle, I did not detect that anything that the national security strategy incorporated had anything to do with soft power. All we got was defence issues that were debated again and again and again. I am just slightly concerned, as far as our inquiry is concerned, that all three of you are looking through rose-tinted spectacles. To summarise your evidence: as far as Britain is concerned, everything in the garden is lovely; we should write a little report saying that and go home. You would help us a great deal more if you could be a bit more self-critical and suggest to us some of the ways in which it can be improved. None of you has said, “Hey, wait a minute, maybe we are not doing quite as well, maybe this is something new we could do, maybe we could learn from the French, the Italians or the Americans”, but you have not given us anything to help us in our inquiry, really, have you?

The Chairman: There is a challenge. Mr Beadle.

Nicholas Beadle: I am glad to take up the challenge, particularly as I am no longer involved in the Civil Service so I feel a little easier about this. To an extent, I agree with the premise of the question. It has some merit in it, inasmuch as there is a question mark about whether the Government should be doing soft power at all or whether they should be an enabler for some of the soft power elements. There is no doubt that defence is just a small part of the overall perception of the UK. Its actions can be Simon’s force multiplier but they can also have the potential for doing great damage to our reputation. So care is needed. I do not think there is complacency there—there certainly should not be—but I can give you a couple of examples of where we could improve, perhaps. This is a wider soft power issue, not purely on defence, but that was the challenge you gave me.

Lord Foulkes of Cumnock: No, I meant in a wider sense.

Nicholas Beadle: One I would pick out in particular is the Korean Wave. This was the rise of popular culture from the 1990s onwards which took south-east Asia by storm. The name was not coined by the South Korean Government. The name came from a Chinese journalist. The Chinese felt it was being done to them, quite frankly. They could not understand why this culture was making such progress. It was not started by the South Korean Government; this was citizen-to-citizen, a natural cultural expansion. However, the South Korean Ministry of Foreign Affairs took this forward and embraced it. In contrast, for example, to the GREAT campaign, which is principally advertising and the creation of a framework—I am a fan of that, but I will come back to it, if I may. the Korean wave was not something that the Government did, it was just something that the Ministry of Foreign Affairs embraced. What it did was to say, “This fits very much with understanding more about Korea. It also fits with Korean unification ambitions because it is saying that we are an open society, et cetera”. Thirdly, it said, “This is a contribution to prosperity, not just for South Korea but for all”. That was quite interesting. So South Korean television stations

were expanding in different countries and so on and they were helping others come to this form. There is one example of what we could do.

Q60 Lord Foulkes of Cumnock: Can I have another one as well?

Nicholas Beadle: Oh, you would like another one?

Lord Foulkes of Cumnock: Yes. You said you had another one.

Nicholas Beadle: If I may touch on the GREAT campaign first—

Lord Foulkes of Cumnock: All right.

Nicholas Beadle: I think it leads to another example. A great deal was made about the success of the Olympics and so on. To push back on your comment about everything being rosy in the garden, I would say that I was very proud, as many other people were, when I saw the Armed Forces step up to the plate when there was an issue of security. However, and this might be more in tune with your thoughts, when I travel abroad and I see a capital city of large numbers of armed people on the streets, my reaction is, “This is authoritarian” and “How safe is it here?”. As I say, I was extremely proud of the way in which our Armed Forces committed themselves but I would be interested to see what people from abroad thought about that sight.

The Chairman: Are you saying that Andy Murray does more for our foreign policy than the Army?

Lord Foulkes of Cumnock: Very much, yes.

Nicholas Beadle: No.

Lord Foulkes of Cumnock: He certainly does more than Alex Salmond.

The Chairman: I am sorry, I think someone else wants to come in.

Lord Foulkes of Cumnock: I wanted to hear a reply from the General because he is the one who has been saying that everything is rosy. Perhaps our Armed Forces are not as welcome in, say, Kenya or Belize. Different countries have different perceptions. We should be a bit careful.

Lt General Simon Mayall: My Lord, I absolutely accept that. I do, however, find that compared with the historical reputations of some other countries, we are in a considerably better place.

Lord Foulkes of Cumnock: What do you mean, a better place, and what can we do about it?

Lt General Simon Mayall: I go back to what I do: my primary motivation is the British national interest, which I pursue, as I said earlier, through the prism of defence and security. There is a question: what do you want from your soft power? There is the soft power which is about hearts and minds on operations, so how would you wish to use a national asset in conjunction, as Baroness Armstrong was saying, with the other instruments of national power? Do we want to use it for good in pursuit of security and stability in other parts of the world? Of course we do. Do we want to use it for prosperity? If I was going to close down just to prosperity and put something helpful to the Committee, I would say that we have a thing called irreducible spare capacity within the military whereby we meet the almost endless demand for international defence training. If we were really serious about getting the

maximum advantage out of the United Kingdom Armed Forces, over and above their operations and how they conduct themselves on those operations in the balance of hard power and hearts and minds, while we are waiting in a contingency role, it is important to take this appetite for defence training and use it much more widely by making it a core function of the United Kingdom's Armed Forces.

Lord Foulkes of Cumnock: What about dealing with emergencies and disasters? We could do a lot more on those, could we not?

Lt General Simon Mayall: I am a great believer, Lord Foulkes, as I said earlier, in the concept of the engaged force. It is not a question either of operations for which I do not see much political or public appetite for a while to come, and it is not to say that it will not happen. I believe that a country like ours absolutely should have the capacity to have very well founded, trained and equipped Armed Forces to be able to deal with those. But I do not think that we can just be put back in a box because that is a waste of a superb asset. I believe that we should link it back to the political objectives of this nation, part of which is our reputation, and we absolutely should use it. That is because when we are in a really hard and austere fiscal position, a government department that is taking almost £32 billion needs to show what the British public gets for it. It is part of the narrative that says, "We can do a whole range of things that are of advantage to the United Kingdom." That is not simply a selfish advantage, in my opinion.

Lord Foulkes of Cumnock: When I was in DfID and we asked for help from the forces, you would send us a bill for everything. Okay, those services need to be paid for, but it should not be done like that. There should be some co-ordination.

Lt General Simon Mayall: I can only agree, but I do think it is one of the areas where we could do things better. I do not think it is rosy in the garden. We do not appear quite to have the mechanisms. It comes down to stove-piping, silo funding. When times are tight, that is what we fall back on. That is why I think that other nations may be better at being able actively to use their military without ending up with an unseemly toing and froing between departments and the Treasury over the funding of operations. It is quite clearly in the British national interest, and I mean that in the wider sense, not just selfish national interest.

Q61 Baroness Nicholson of Winterbourne: I think the point that the General has just made is perhaps a point that is rather in the forefront for a number of Members of this Committee. Does Mr McCarthy, for example, feel that the committee you are running—I hate to call it IDES, the Ides of March—is strong enough to be able to pull together these rather disparate threads that, historically, our different ministries have been pursuing for a decade or two? For example, we laud—and I think rightly so—many of the DfID objectives. On the other hand, it is dealing, as is clearly said by one of our witnesses here, from the objective perhaps of pursuing the British company interest, for example. Yet, trade is at the very head of the Foreign Office's perspectives at the moment under William Hague—and correctly. How are you going to bring together the elements that are not yet united in British policy? Do you have a strong enough mechanism? The General has just said about other nations, for example, being able to use the military—whether one calls it soft power or not—more effectively without upsetting all the other ministries. One saw, as indeed has already been noted, on the ground in Iraq the not just differing but totally contradictory aspects that were there from different ministries. It was devastatingly negative on the population, let alone on British interests and on our influence. How is this going to be pulled together? Are you strong enough? What do you foresee?

Steve McCarthy: The specific committee that we talked about earlier on—the Building Stability Overseas Board—works very well at managing on a tri-departmental basis the money it is allocated to manage. That is roughly £200 million a year and out of that comes the UK's contribution to the UN peacekeeping budget. Compared with the amount of money that is spent in my department, DfID and even the FCO, accepting the scale point, that is frankly a drop in the ocean. It is a very small amount of what we are talking about. Are we strong enough to manage the things for which we currently have responsibility? Yes, absolutely. But I think there is definitely a need to think at a higher level about the way all departments that are relevant to national security at least bring things together, without even going to the broader point about national interest. That is work that the Cabinet Office is looking at right now as we speak.

I think it is probably fair to say that two years is quite a long time. Actually, the way it takes to turn the Whitehall machine around is sometimes a bit slower than any of us would like. But if I come back to Lord Foulkes's point, I think you can draw a parallel back to the national security strategy, which actually did set some of these things off. It did talk about using all of the tools at our power to support and sustain British interest. It has taken us a while to get there but we are beginning to get there.

To offer you one other thing that I think we could certainly begin to do much better—which will feed directly into your question about being able to bring the broader machinery together—we still have a tendency to look at things on a country-by-country basis. Not only are we stove-piped here in the UK, but it is as if every individual country in the world is a little island on its own and does not talk to its neighbours or anything else. We are increasingly trying to bring the perspective up to a regional level—not to do away with the country perspectives, which are obviously very important, but to understand relationships between the neighbours in the countries in any given region. We can therefore try to have a broader influence across the piece when it makes sense to do so. To take you to a non-controversial example, perhaps, when we involve ourselves with friends and allies in the Scandinavian countries, we tend to deal with Denmark, Sweden, Finland and Norway alone. We tend not to recognise that if you talk to a Dane or a Swede the first thing they talk about is what is going on with Denmark and Sweden. We have to get up to that sort of regional level. As part of the defence engagement strategy we put in place specifically as a sort of an experiment—although I do not think that we will change it ultimately—a formal linkage of our defence attachés in those countries. Therefore, they work together for a common aim as opposed to, as it were, just working for their bilateral embassy. That is a small step but I think that is another thing that we could look to do more of across government—thinking about the regional context not just the bilateral context.

Q62 The Chairman: We are getting quite close to the time when we must let our witnesses go. They have been very helpful over a two-hour period. I just have some final points on the military and the support of the national interest. General Mayall, you have been active in the area of arms sales, particularly in the Middle East, where, as you say, there is an existential threat and the emphasis is on security and defence. Would you say that being very active and successful in this field puts this country at an advantage or disadvantage compared with countries that do not arrive with a lot of arms sales in their shop windows, as it were?

Lt General Simon Mayall: “Defence sales”. We know the emotive nature of “arms sales”. As I say, even with the imperative of prosperity, we are not just in the business of selling arms. Defence sales are part of relationships and we deal with responsible Governments, I like to think, in most parts of the world. It is a virtuous cycle. If you engage politically,

diplomatically and militarily as a credible nation with a long-term strategy objective to meet—yes, selfishly—your own security needs in a part of the world, the chances are that those countries will reward that strategic commitment with defence sales. In the part of the world I particularly work in, the Gulf, there is no question that any of these countries could possibly defend themselves on their own. They absolutely rely on the guarantee of the Americans, fundamentally; and, as I say, in many cases, if there was an invasion—Saddam into Kuwait—the UN would wrap round to give the legality, the legitimacy, for an intervention on that country's behalf. But they are very aware that some of our security requirements and prosperity requirements are met by defence sales.

I support defence sales in parts of the world because I think they give you these long-term relationships. They give you political influence. They help the United Kingdom then to engage through ambassadors, Ministers and senior officials in parts of the world that give us challenges between interests and values. There is no doubt about it: if you do not engage up to a point, you will find that your competitors are rewarded for their engagement. Where you do engage, I think you get rewarded with defence sales. They have a commercial value of their own, that is undeniable, but to my mind they underpin long-term strategic partnerships that are built fundamentally on relationships, particularly in that part of the world. We have seen already, particularly in the Middle East, that the political, diplomatic and military engagement has led to defence sales but it has also led to a huge amount of other commercial activity, which comes as a result of the nature of the power in that part of the world.

The Chairman: That is very helpful. So the answer is that it is a very strong positive element.

It is coming up to six o'clock. Unless there are any final questions, I would like to thank all our witnesses very much indeed. It is an enormous canvas. We could spend many hours on different aspects of it. What emerges very clearly is the extraordinary interweaving of hard and soft power nowadays. The days of armies against armies or air forces against air forces have simply gone and opponents are all from the insurgency or irregular or less visible quarter. That means the use of soft power and working on minds become as important as working on defensive positions, and, secondly, that what is being done on the military side, including defence sales, is all part of supporting national interests more effectively than in the past, and it is very positive. Thank you very much indeed. Obviously we shall think very hard on some of the things you have said, and we are very grateful to you.

Behavioural Dynamics Institute – Written evidence

SECTION 1: EXECUTIVE SUMMARY

1. Soft power can be highly effective – but rarely is. This submission examines the current low level of effectiveness, suggests some common reasons for failure, and then proposes a more rigorous approach, before offering thoughts on high level decision-making and the private sector.
2. Soft power is too focused on communication. Traditional marketing is woefully ineffective within the commercial sector, and worse still in the governmental arena. Military communication efforts provide good examples of the general performance, but rigorous measurement of effectiveness is needed.
3. Other than rigorous evaluation, common flaws in influence efforts include a lack of focus on objectives, poor target audience selection, the pursuit of consistency over targeted messaging, an emphasis on attitudes rather than behaviour and the use of inadequate and inappropriate research.
4. Rather than focusing on bureaucratic structures, we recommend 6 widely applicable principles for a better approach. These will allow the effective and orderly planning of strategic communication campaigns, vastly boosting reliability and reducing waste.
5. Too often, soft power is narrowly conceived, leading to the exclusion of promising potential solutions. The principles outlined above could significantly improve foreign policy decision-making.
6. Specialist expertise is required, and at present, the industry struggles to provide it. More must be done to identify the most effective practitioners.
7. The Behavioural Dynamics Institute is a private, not-for-profit, non-partisan institute that fosters multidisciplinary collaboration to investigate influence and complex human group or societal issues where behaviour change is key. The Influence Advisory Panel (x-iap.com) is an initiative of the BDI. We also assist our commercial partner, SCL, in the design and analysis of field research that directly informs strategic communication efforts by governments.

SECTION 2: INTRODUCTION

8. **Section summary: Soft power can be highly effective – but rarely is. This submission examines the current low level of effectiveness, suggests some common reasons for failure, and then proposes a more rigorous approach, before offering thoughts on high level decision-making and the private sector.**
9. We contend that soft power can be highly effective – but that it rarely is. We contend that this low return on investment is not limited to government efforts, but is rather a crisis across the whole field of influence, because that field relies on faulty assumptions and a misguided focus on communication, sustained by poor metrics.
10. The ability to persuade foreign actors to ‘do what the UK wants’ is a critical capability that is fundamental to the country’s prosperity. The current low level of effectiveness should be an urgent concern.
11. Current soft power approaches focus too much on communication, and draw principally on marketing theory. This is a mistake: soft power is much wider, encompassing all possible non-violent solutions (including economic power). Indeed,

throughout this debate, it should be borne in mind that there is no easy distinction between hard and soft power. Both are merely the exercise of available actions, and good strategy is derived by matching tools to objectives, rather than preselecting tools regardless of aim. Once an objective has been decided, the full range of means should be considered.

12. The next section of this submission provides evidence with regard to the current low level of effectiveness. We then suggest some common reasons for the failure of soft power efforts, and then propose a more rigorous approach. The final sections of this submission briefly explore the role of soft power in high-level decision-making and the ability of the private sector to contribute.
13. These conclusions are derived from a wealth of research conducted and synthesized by the Behavioural Dynamics Institute, including the study of primary research data gathered by our commercial partners SCL in consultancy projects across more than 50 countries. However, where possible we have cited publically available sources.

SECTION 3: CURRENT EFFECTIVENESS

14. **Section summary: Soft power is too focused on communication. Traditional marketing is woefully ineffective within the commercial sector, and worse still in the governmental arena. Military communication efforts provide good examples of the general performance, but rigorous measurement of effectiveness is needed.**
15. Soft power, as presently construed, is largely an exercise in communication, drawing heavily on marketing theory. Yet traditional marketing is not working, even in the commercial arena for which it was designed.
16. A series of studies by the Fournaise Marketing Group has revealed fundamental lack of satisfaction with marketers' efforts. In a 2013 survey of 1200 senior managers, 78% agreed that advertising and media agencies "are not performance-driven enough and do not focus enough on helping to generate the (real and P&L-quantifiable) business results they expect their marketing departments to deliver." Research by McKinsey suggests that consumer behaviour is changing in ways which make traditional marketing techniques even less relevant; we contend that they were not especially effective in the first place. The author of one of the key critiques of modern marketing, Greg Stuart, explained "I spent the first decade of my career as an agency media guy....I felt like a charlatan the entire time....I knew in my heart of hearts that we collectively, not just Greg Stuart, did not know what we were doing in spending clients' money."
17. Small wonder then that failure rates are even higher in the governmental arena, for which marketing techniques were not designed. Enormous sums are spent upon government communication, from employing press officers to dropping leaflets on Iraqi civilians to teaching children the Green Cross Code. Yet the effectiveness of all this is in considerable doubt.
18. The military experience in Afghanistan is instructive. A paucity of data means that it is not possible to directly analyze results for the UK military, but US efforts have been relatively well analyzed, and are comparable. In 2003, the Department of Defense's 'Information Operations Roadmap' concluded that "Currently, however, our PSYOP campaigns are often reactive and not well organized for maximum impact." Little has changed, and similar conclusions still appear in reviews of the effectiveness of US soft power deployment. Christopher Paul, in his review, noted that "Countless studies, articles, and opinion pieces have announced that US strategic communication and public diplomacy are in crisis and inadequate to meet current demand." Arturo Munoz identified nine principal messaging themes used by US forces in Afghanistan. Of those, he rated three as 'effective' between 2001-2005; after 2005 he identified no US message whose effectiveness was more than 'mixed'. Much of the communication

effort has wrongly focused on changing Afghan attitudes rather than behaviour; it is therefore chastening to discover that even those attitudes have been moving in the wrong direction: in one annual poll, the proportion of Afghans awarding positive ratings to US work in Afghanistan fell from 68% in 2005 to 32% in 2010.

19. One should not conclude from this that effective military influence is impossible. There are examples of success. Christopher Lamb has identified two communications operations which resulted in direct and immediate behavioural change: a leaflet drop and broadcast effort at the start of the war in Afghanistan which led to the surrender of 1000 Taliban fighters in Kunduz Province, and the promotion of a weapons buy-back scheme in Iraq in 2004, which achieved impressive results. Causation is always difficult to establish, but there is no doubt that there are many more such case studies out there. The task is not impossible, and if done better, soft power efforts could be vastly more effective.
20. As more data becomes available, a similar story is likely to emerge in analyzing civilian governmental communication efforts. The Government Communications Plan notes that there are 1,910 specialist communicators across government, plus another 1,394 in state-funded 'arms-length bodies and non-ministerial organisations', together spending at least £237m. As well as their day-to-day work, the plan provides an incomplete list of 46 specific communication campaigns that the government will undertake. That figure is certainly an undercount.
21. Some of these campaigns will be effective; some will not. We noted above that data on British military communication efforts was lacking. The same is broadly true of civilian efforts. Rigorous evaluation is rare. The House of Lords Science and Technology Committee published a report in 2011 on behaviour change; they found that "A common concern raised by witnesses was the need for greater consistency in the quality of evaluation of government behaviour change interventions, with many suggesting that this was a significant area of weakness." Measuring effectiveness in communication is extremely difficult, but it is too important to ignore.
22. There is a lack of expertise in evaluations and a lack of patience or funding to conduct them. Perhaps above all, there is a depressingly common tendency to conflate process with outcomes. Some particularly unfortunate examples were observed in the evidence of effectiveness presented for FCO public diplomacy efforts around the Olympics. A DVD was produced for South African audiences about the London Olympics: as evidence for the campaign's success, the British High Commission cited the following: "The media coverage produced a solid impression of a modern dynamic Olympic event. All of the TV coverage used footage from the DVD. The Mayor of London and swimmer Natalie Du Toit were interviewed in front of the DVD branding."
23. More positive examples exist. The THINK! campaign on road safety is frequently cited as one of the most effective government communication campaigns. The claim may be true. It is certainly one of the most rigorously evidenced campaigns. Over the past 5 years, an impressive body of behaviourally-focused research has been built up. In this it is an example worth emulating.
24. Though more evidence is needed, and rigorous evaluation is urgent, we assess that many communication campaigns fail, but that some succeed. A central concern must therefore be boosting reliability. In the following sections, we examine the common reasons for failure, and propose a more effective approach to soft power and influence.

SECTION 4: REASONS FOR FAILURE

25. **Section summary: Other than rigorous evaluation, common flaws in influence efforts include a lack of focus on objectives, poor target audience**

selection, the pursuit of consistency over targeted messaging, an emphasis on attitudes rather than behaviour and the use of inadequate and inappropriate research.

26. As previously mentioned, the most common failure of campaigns is the lack of an ongoing process of rigorous evaluation of effectiveness. However, certain other errors recur in soft power and influence campaigns, leading to their failure. This section outlines some of them, and cites examples of recent UK campaigns that have made these errors.
27. One especially common flaw is a lack of focus on objectives. Campaigns are frequently tied to fuzzy objectives, with little explanation of how the campaign is likely to achieve the stated objective, little effort to demonstrate why a particular campaign is the best means to achieve that objective, and little focus on what concrete difference it would make to the public, or to HMG stakeholders, if the aim were achieved.
28. One small intervention in Palestine serves as an example. The post provided funding and support to a female car racing team. The intervention aimed to achieve the following: 'challenge negative perceptions about the UK in Palestine; present the UK as socially inclusive, open and collaborative; capitalise on improved perceptions of the UK brought about by our support for the Speed Sisters project to re-frame policy conversations and enhance the UK's reputation; support objective 1 of the Occupied Palestinian Territories country business plan – specifically to 'Implement an engagement and communication strategy that enhances the UK and international community's reputation as honest brokers'; Support wider campaigning for MENA Partners for Progress.'
29. This is not a focused campaign; it is a nice idea supported by a pick and mix of worthy sounding objectives, with the clear implication that the idea preceded the objectives. That does not mean it is a bad initiative. It may have done a lot of good. But it seems unlikely that it could achieve all of the objectives listed above, and in austere times, greater focus is needed.
30. That same example also illustrates another common flaw: it picks a vague target audience. To take the target audience first, the stated audience was "young Arabs particularly those involved in rally driving and motor sports and Arab women." These are broad categories: young Arabs and female Arabs encompass an enormous range of lives, and there is little reason to believe that the same communication campaign would persuade such a diverse group. The unfairness of picking the Speed Sisters campaign should be recorded: it is only one example among many, and not a particularly extreme example at that.
31. A related error is to put consistency above targeted messaging. The GREAT Britain campaign is a major UK Government effort that falls into this trap. It hopes to reach "nearly 90 million people across the 14 cities in our nine target markets", communicating about 11 different subjects. A prospective tourist in Delhi will not be persuaded by the same messaging as a businessman in Berlin, and thus the pursuit of consistency has weakened the effectiveness of the campaign.
32. It is moreover often assumed by influence plans, but not demonstrated with reference to research, that the selected target audiences **are sufficiently salient to the stated objectives and sufficiently influenceable**; i.e. that they can be persuaded to change their behaviour, and that if they did so the objectives would be achieved.
33. Perhaps the most common failure of all is the targeting of **attitudes, rather than behaviour**. It is a central assertion of traditional marketing that if you change attitudes, real world behavioural change will follow. The reliability of that assertion has been repeatedly and comprehensively debunked in everything from hotel admissions to happiness. Attitudes sometimes precede behaviour, but often do not. Since it is the

behavioural change that is ultimately wanted, that is what must be researched. Very often, simplistic views of attitudes lead to a misunderstanding of likely behaviour. Research in Saudi Arabia has repeatedly demonstrated the clear divide between enthusiasm for Hollywood and distaste for US support of Israel, while in China, young people dislike US support for Taiwan – but still fight to study at its colleges.

34. Another exceptionally common error is designing campaigns **based on inadequate or inappropriate research**. Too often campaigns are based on a bright idea, perhaps discussed with a few experts, rather than rigorous research with the target audience. When evidence is used, it is often a simple polling result suggesting the area in which the problem lies: that is inadequate, given how many decisions must be made on any campaign. Returning to the Fournaise research cited earlier, 72% of surveyed CEOs agreed that “they soon realised Ad & Media Agencies were not as data- and science-driven as they had expected, relied too much on gut-feelings, hearsay, wrong methodologies and questionable information.” Very often, the necessary research will not be purely quantitative; numbers can be misleading, and qualitative research has considerable strengths in this field. It is not worth picking out particular UK soft power campaigns in this regard; almost none meet this test. Creativity is a poor substitute for evidence.
35. These common flaws are visible across commercial and governmental influence campaigns. They are responsible for enormous waste of money and time. Below, we outline a better approach.

SECTION 5: BETTER APPROACH

36. **Section summary: Rather than focusing on bureaucratic structures, we recommend 6 widely applicable principles for a better approach. These will allow the effective and orderly planning of strategic communication campaigns, vastly boosting reliability and reducing waste.**
37. Christopher Paul summarizes beautifully the way in which bland and impractical recommendations recur. He counts nine separate reports of US strategic communications that call for ‘leadership’. It would be hard to disagree. 20 studies, by Paul’s count, called for increased resources, an unlikely prospect at present, and 19 called for better coordination, another point from which few would dissent.³⁶ Rather than getting bogged down in arguments over bureaucratic structures or funding levels, we propose six principles which can be applied to soft power and influence efforts at all levels and across all departments.³⁷
38. **Principle 1: Effective influence attempts to alter behaviour, not simply attitudes.** Influence should attempt to achieve a specific, measurable and unambiguous behavioural objective. Campaigns aimed at creating and increasing Afghans’ positive attitudes towards ISAF, for example, were implicitly aimed at stopping a whole host of non-desired behaviours, from fighting to donating money to growing poppies. Yet SCL research which looked at one such behaviour in isolation – the planting of IEDs – uncovered that the reason for this behaviour had nothing to do with ‘liking’ or ‘disliking’ ISAF soldiers. Fieldwork uncovered that many young Afghans in fact dreamt of going to the United States, and planting IEDs was one of the few activities that paid enough money to allow them to save up for their ambitions.
39. **Principle 2: Influence is most efficient and effective when it targets self-identifying social groups, because behaviours (and attitudes) are determined by the social context.** Cultural diplomacy directed at Chinese people is likely to fail, and so too is cultural diplomacy directed at Chinese males aged 18-32,

³⁶ Paul, Christopher, ‘Whither Strategic Communication? A Survey of Current Proposals and Recommendations’, RAND, 2009, p.1, http://www.rand.org/content/dam/rand/pubs/occasional_papers/2009/RAND_OP250.pdf

³⁷ These proposals were originally developed by Dr. Lee Rowland, and may be described as ‘the BDI approach’.

because that is an externally-imposed demographic category, not a self-identifying, cohesive group. Far more useful is cultural diplomacy aimed at Netizens, because they have a shared culture.

40. **Principle 3: Influence efforts must be attuned to local culture and circumstance to have any chance of success.** Conclusions must be 'audience-centric'; they must adopt the perspective of the target audience. The best way to do this is through rigorous social science research. Three white British bureaucrats in a London office will not come up with an effective way of persuading Indians to buy British products. Asking a few British citizens of Indian origin for their opinions is little better. Qualitative and quantitative research designed by influence specialists and conducted by Indians in India is far more likely to generate effective cultural diplomacy strategies.
41. **Principle 4: Some pieces of cultural knowledge (for instance, motivations) are far more valuable than others, because they are diagnostic.** That is, they help eliminate a great many possible hypotheses and approaches, meaning that you reach the correct solution more quickly. For instance, if the paramount aspiration among Rwandans is to own a house, then cultural diplomacy efforts focused on the success of UN efforts to help people buy a car or start a business will just be ignored. Therefore, by finding out one piece of information, two potential campaigns can be eliminated, or reshaped (starting a business can be sold to Rwandans as being the fastest way to homeownership, or mortgage loans for business owners can be made vastly more attractive and achievable). The BDI measures a bank of research parameters drawn from social psychology and related disciplines; these have proven far more effective than seeking a general cultural understanding.³⁸
42. **Principle 5: A holistic understanding of a problem can often yield counter-intuitive but more effective solutions.** This means that quantitative research is not always the most useful technique. Though it can provide hard numbers that are simple to understand, it should be preceded by semi-structured qualitative research that allows for a full investigation of the social group at hand.
43. **Principle 6: Influence efforts without data-driven and audience-centric measures of effectiveness are a waste.** Situations change, and after a few years, even the best cultural diplomacy effort may stop having an effect. Measuring effectiveness regularly means that you know when this has happened, and can make adjustments accordingly. Vitally, you must measure effectiveness – not just how many hours of programming you broadcast into Myanmar, or how many people listened to it (which are in fact measures of action and measures of performance), but how many people changed their behaviour accordingly.
45. In general, a soft power effort should proceed in the following manner: an overall aim is determined, and this is distilled into specific behavioural objectives, perhaps supported by initial primary and secondary research. For each objective, the most salient and measurable self-identifying and cohesive target audience is selected, and primary research is conducted upon that group. This research will be in-depth and multi-stage, and will test a range of research parameters. Meanwhile, a baseline will be established to determine the effectiveness of the campaign. Analysis of the wealth of data thereby produced will allow the design of specific, fully articulated and actionable recommendations, which may or may not be communications-focused. The campaign will then be conducted, and its effectiveness is then measured.

³⁸ For more on these research parameters, refer to Rowland, Lee & van den Berg, Gaby, 'In Pursuit of a Contextual Diagnostic Approach to Behaviour Change', Behavioural Dynamics Institute, September 2012, <http://www.bdinstitute.org/wp-content/uploads/2012/10/LeeGaby.pdf> and Wein, Tom, 'The Perfect and the Possible: Seeking a Frugal Model of Behavioural Change', Behavioural Dynamics Institute, October 2012, <http://www.bdinstitute.org/wp-content/uploads/2012/10/PerfectPossible.pdf>

SECTION 6: A NOTE ON STRATEGIC DECISION-MAKING

45. **Section summary: Too often, soft power is narrowly conceived, leading to the exclusion of promising potential solutions. The principles outlined above could significantly improve foreign policy decision-making.**
46. At the beginning of this submission, we stressed that when exercising power to achieve an objective, all possible tools should be methodically considered. Too often decisions which are fundamentally operational – decisions on the means to be used – are made at the same time as decisions on the objectives to be pursued.
47. The approach we have outlined, from concrete objectives to measures of effectiveness, via evidence-led strategy, is applicable well beyond communications. We believe it has considerable potential as a decision-making tool at the highest levels of government.
48. Most – perhaps all – foreign policy actions aim to influence a group or individual to act in a certain way (even the most brutal wars aim for surrender rather than annihilation). Adopting the principles described above would provide a structured thinking process that insisted on consistent reference to the evidence, thereby improving foreign policy decision making in general.
49. While ministers have an absolute right to involve themselves in all details of the organizations they head, they would likely achieve better results, in soft power and elsewhere, if they adopted a ‘mission command plus approval’ approach, in which they granted more room to those with a detailed understanding of the evidence to determine the best course of action, within the parameters they set.

SECTION 7: A NOTE ON INDUSTRY

50. **Section summary: Specialist expertise is required, and at present, the industry struggles to provide it. More must be done to identify the most effective practitioners.**
51. In conclusion, it should be noted that effective soft power is a challenging, technical discipline, requiring a detailed understanding of research methods and the findings of social psychology, as well as considerable flexibility to achieve results in challenging environments. Specialist expertise will therefore often be required. In the long run, the Government may wish to consider bringing this expertise ‘in house’, as they have done with IT. In the meantime, however, much communications and soft power work will continue to be outsourced.
52. It should therefore be borne in mind that many so-called communication specialists in the private sector also lack this expertise, and make many of the same errors as those outlined above. It can be exceptionally difficult to differentiate between the genuine article and opportunistic bluffers. The BDI consequently recommends the development of rigorous standards of communications procurement and accreditation which focus on the issues and errors identified above.

September 2013

Dr Matt Beech and Dr Peter Munce, University of Hull – Written evidence

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Introduction

1. This submission deals with the specific issue of the UK's relationship with the European Convention on Human Rights (ECHR). It seeks to bring to the attention of the Committee the impact that a potential withdrawal from the Convention might have on the range of soft power options available to the UK.
2. The present policy of the Coalition Government as contained in the Programme for Government is not to withdraw. A Commission was established by the Coalition in March 2011 to 'investigate the creation of a British Bill of Rights that incorporates and builds on all our obligations under the European Convention on Human Rights, ensures that these rights continue to be enshrined in British law, and protects and extends British liberties'³⁹. However, ECHR withdrawal is an option being seriously considered by senior Conservatives as a potential policy option for any future Conservative government.

Tensions within the Conservative Party

3. There are significant tensions within the Conservative Party about UK membership of the ECHR in particular the influence in the UK of European Court of Human Rights (ECtHR) jurisprudence.
4. During a debate in the House of Commons on the impact of the ECtHR's decision in *Hirst v UK*⁴⁰ which ruled that a blanket ban on voting for prisoners was a breach of article 3 of Protocol 1 of the ECHR a number of Conservative MPs expressed their discontent at the Strasbourg Court's decision. One Conservative MP during the debate argued that, 'The bottom line for me is that there would be less shame in leaving the European convention on human rights than in giving prisoners the vote'.⁴¹
5. During a debate in the House of Commons on the 7th February on the issues surrounding the deportation of Abu Qatada another Conservative MP said, 'What the British public want to know is this: if we cannot secure the reforms that we need from the European Court of Human Rights, will we withdraw from the

³⁹ Programme for Government, p.11

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78977/coalition_programme_for_government.pdf (last accessed 18th September, 2013).

⁴⁰ (No. 2) - 74025/01 [2005] ECHR 681 (6 October 2005)

⁴¹ Philip Holloborne HC Debs 10 Feb 2011 vol 523 cc 537.

European convention? In the absence of that commitment, the Home Secretary will simply be spitting in the wind'.⁴²

6. The most senior Conservative to express discontent was the Home Secretary, Theresa May who in a speech on 9th March, 2013 said that, 'by 2015 we'll need a plan for dealing with the European Court of Human Rights. And yes, I want to be clear that all options – including leaving the Convention altogether – should be on the table'.⁴³
7. Not all elements of the Conservative Party agree with this direction, most notably the Attorney General who warned that if the UK withdrew it would risk being viewed as a 'pariah state' by the international community⁴⁴. Previously, whilst in opposition he stated that withdrawing from the Convention would, 'Send a very damaging signal about how the UK viewed the place and promotion of human rights and liberties and would be an encouragement to every tin pot dictator such as Robert Mugabe, who violates them. Nor, if a UK government intends to behave in an ethical manner, would withdrawal solve many of the problems now blamed on the ECHR itself'.⁴⁵

Background to the ECHR

8. The ECHR is an international treaty devised by the Member States of the Council of Europe and was drafted by the Council of Europe's Parliamentary Assembly Committee on Legal and Administrative Questions, which was chaired by the Conservative politician Sir David Maxwell – Fyfe.
9. The Convention has recently celebrated its 60th anniversary entering into force in September 1953. The UK was one of the first to sign the Convention in 1951. The Council of Europe was founded in 1949 and now has 47 Member States from across the continent of Europe including those new democracies that emerged after the break – up of the Soviet Union and the fall of the Berlin Wall. It is an international organisation, whose primary objective is to, 'create a common democratic and legal area throughout the whole of the continent, ensuring respect for its fundamental values: human rights, democracy and the rule of law'⁴⁶. The ECHR is highly regarded and considered as one of the crowning achievements of the Council of Europe by a range of international human rights lawyers and scholars.
10. In recent years the power and influence of the Court has grown significantly due to reforms in how the Court operates, the Eastward expansion of the Council of

⁴² <http://www.publications.parliament.uk/pa/cm201212/cmhansrd/cm120207/debtext/120207-0001.htm> (last accessed, 18th September, 2013).

⁴³ <http://conservativehome.blogs.com/thetorydiary/2013/03/full-text-of-theresa-mays-speech-we-will-win-by-being-the-party-for-all.html> (last accessed, 18th September, 2013).

⁴⁴ <http://www.telegraph.co.uk/news/politics/9596949/Britain-could-become-Belarus-if-it-abandons-human-rights-legislation-warns-Attorney-General.html> (last accessed, 18th September, 2013)

⁴⁵ Speech by Dominic Grieve MP to the Middle Temple, 'Can the Bill of Rights do better than the Human Rights Act?' 30th November 2009 <http://www.dominicgrieve.org.uk/news/can-bill-rights-do-better-human-rights-act> (last accessed, 18th September, 2013).

⁴⁶ <http://www.coe.int/aboutcoe/index.asp?page=nosObjectifs> (last accessed, 18th September, 2013).

Europe and a desire on behalf of the judges to view the Convention as a ‘living instrument’.

Questions for the Committee to consider

11. This evidence has outlined the serious concerns Conservatives have about and poses the following question for the Committee to consider:
12. Is it in UK national interest to withdraw unilaterally from the ECHR? If so, what sort of example would the UK be setting by withdrawing from the ECHR even on a temporary basis? What credibility or moral authority will the UK have to raise concerns about states that fall short of internationally accepted standards about the protection of rights?
13. The implications of the UK's withdrawal from the ECHR need to be properly thought through and all aspects of the debate seriously considered. In other words, in an era of international relations when soft power options are increasingly relied upon by states in the pursuit of their foreign policy objectives can the UK really afford to leave itself open to accusations of double standards in an increasingly fragile and uncertain global order?
14. British withdrawal from the ECHR would provide the United States with a human rights problem. How can future American-led initiatives and interventions include Britain as a primary partner if the international community (particularly Russia and China) assert that Britain is casual about human rights?
15. The United States seeks to utilise both soft and hard power when encouraging political liberalisation in authoritarian regimes and emerging democracies. What about the human rights problem of Britain? Surely the United States would have to robustly address this fact in some manner and one highly embarrassing for Britain.
16. The problem of Britain withdrawing from the ECHR presents the United States with an awkward human rights problem. One that has implications for how it relates to its other foreign policy priorities. Of these a notable priority is its relationship with China. The traditional approach to China has been to encourage trade and cultural exchanges in the hope that this emboldens reformers in the Communist Party and leads to a western facing Beijing that respects human rights. However, in recent years life in China has improved for many but summary violence and abuses continue. The United States knows this and seeks to engage the PRC on these issues. How effectively will the United States be in presenting the western example of universal human rights recognition if Britain withdraws from the ECHR? Surely, this weakens the American diplomatic position as Britain is their primary diplomatic and military partner.
17. The UK government believes that the best way for China to achieve economic prosperity and stability in the future is for it to protect fundamental rights and uphold the rule of law. How would the Chinese government perceive UK withdrawal from the ECHR and how would this affect UK-China trade relations?

18. Does withdrawal from the ECHR not place Britain in a weaker position with Russia? As Britain would be voluntarily giving up a degree of moral authority on the issue of human rights. The British case for persuading and, at times, confronting Russia over its record on human rights and civil liberties would become redundant as the force of Britain's argument would be rendered impotent.

Conclusion

19. In a multipolar and globally interdependent world states need all soft power options available to them particularly one as politically significant and symbolically important as being a signatory to the ECHR.
20. Withdrawal from the ECHR could have major foreign policy ramifications for Britain. Chief among these is a degree of isolation from the United States. Britain will not be seen as an exemplar of advanced democracy that values human rights. Britain's relationship with its European neighbours will change to the point where its contributions to debates about diplomatic and social issues will be respected less and deemed to be outside of settled norms. Withdrawal from the ECHR in terms of British influence would be a retrograde step.

September 2013

Ian Birrell, Columnist and Foreign Correspondent, Jonathan Glennie, Overseas Development Institute, International Alert and Transparency International UK – Oral evidence (QQ 126-151)

Evidence Session No. 7

Heard in Public

Questions 126 - 151

MONDAY 29 JULY 2013

MEMBERS PRESENT

Lord Howell of Guildford (Chairman)
Lord Forsyth of Drumlean
Lord Hodgson of Astley Abbotts
Baroness Hussein-Ece
Lord Janvrin
Baroness Nicholson of Winterbourne
Lord Ramsbotham

Witnesses

Ian Birrell, Columnist and Foreign Correspondent, Contributing Editor for *Mail* and *Mail on Sunday*, **Jonathan Glennie**, Research Fellow, Centre for Aid and Public Expenditure, ODI, **Mark Pyman**, Director, Defence and Security Programme, Transparency International UK, and **Phil Vernon**, Director of Programmes, International Alert

Q126 The Chairman: Welcome, and the first and most important thing is: jackets off if you so wish—it is up to you. Thank you very much, all four of you, for coming. You have before you, because it is an obligation and a proper thing, information about the relevant interests of everyone who is a Member of this Committee, so that will help you know what our particular concerns are and where we are coming from.

As you know, the official label for this Committee is to examine soft power and Britain's influence overseas, a very wide subject which we are seeking to narrow through a series of hearings right through the autumn, before we report. I am going to start with really the obvious question, for each of you, if possible with a short summarising reply before we really get going. Bearing in mind that of course hard power and soft power—military power at one end and kinds of diplomacy and persuasion at the other—are not opposites in any way, they are all parts of the same spectrum, which is a changing one from merely the traditional division between gunboats and diplomats. It is not like that any more. My first and opening question really is, to each of you, do you see your activities and your operations—and you are in a sense at the spearhead, the sharp end, in many of these areas—as in that spectrum? If so, where in that spectrum? Or are they not in that spectrum at all? Going left to right, could I start with Mr Pyman of Transparency International on that broad question of how you see your work and the hard, soft and smart power—whatever you like—fitting together, if at all.

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Mark Pyman: As an NGO, I hope we are not doing too much of the hard power side. What we are doing does have a soft power element, because we are working in any number of countries overseas and, although we are a global international organisation, it is never in doubt that we come from the UK. We can see the influence that we are bringing to bear and, yes, I do think it has a soft power component to it.

The Chairman: Actually, having said I would go left to right, Mr Birrell, do you mind if I come back to you at the end because you are, I hope, going to offer us a critique that may be slightly different? So I shall go straight to Jonathan Glennie and ask him for the observation on the general question.

Jonathan Glennie: Would the Committee like to hear a very brief opening statement that I have prepared that basically does answer your question?

Q127 The Chairman: Yes, of course. That is absolutely fine.

Jonathan Glennie: I apologise; I have not printed it, so I am going to read from this laptop, which is going to be really annoying for everyone, but it is very short.

Firstly, thanks for inviting me. It strikes me that this Committee is asking questions of great importance to my line of work. Let me try and summarise my view on the relationship between aid and soft power from an internationalist perspective, which I think is the inevitable perspective for someone who works, as I do, in poverty eradication, human rights and sustainable development.

It is hard to exaggerate the mega-shifts in what I call “the geography of power” currently under way. We all know about the BRICS, and some of you will even have heard of the CIVETS, but countries like Peru and the Philippines will soon be among the 30 largest world economies, according to HSBC predictions. Developing countries and emerging countries are beginning to dominate global economic growth, and their political power is increasing as a consequence. They are also the home of rapidly increasing reserves of global savings—almost 50% of world savings, according to the World Bank—and therefore, of course, the source of growing foreign investments, including aid and concessional loans.

Even the smaller, low-income countries—less powerful countries—in places like Africa and elsewhere are finding a new assertiveness. Why? Because they are now living in what colleagues at ODI have termed an age of choice, in which many more external financing options are available to them than in the past, both private and public, as well as a huge expansion in domestic resource revenue in many countries. And they are looking to new examples of how to develop. As the exaggerated market fundamentalism of the so-called Washington consensus is tossed into the dustbin of history, poor countries no longer want to be the US or France only. They look to Brazil, Vietnam and, of course, China, and the term “Beijing consensus” has been coined—not a phrase I agree with, but it implies that countries are looking much broadly for examples and help than ever before.

For Britain, we are gradually going to become less powerful, continuing the trend since the end of the empire. Power is zero sum. Where we used to get our way, increasingly even poor countries are saying thanks but no thanks when they do not like the modalities or the conditions attached to our aid or trade relationships.

One response to this ebbing away of power has been to seek to defend our advantage—not just Britain, of course, but OECD countries in general. But as an internationalist I am naturally inclined against this approach. In fact, it is right and desirable that other countries become more wealthy and more powerful—that is the logic of working in international development. In seeking to increase the wealth of poor countries, inevitably they will

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become more powerful, which inevitably leads to us becoming relatively less powerful. I want a world in which we all share roughly the same standard of living, and I care as much about the interests of other peoples as British interests, especially given how immensely well off we are compared to the rest of the world. Notwithstanding that we are going through a crisis, we are still among the 30 richest countries in the world in terms of income per capita, and one of the 10 largest economies.

I have only got a couple more paragraphs to go, my Lord Chairman, so I will be very brief. Soft power is sometimes couched as another means, along with hard power, to promote Britain's interests and security. But I would like to emphasise the importance of promoting values. The UK has played a role in promoting great causes with its aid, from civil rights and democracy, especially women's rights and gay rights, to free healthcare and education, and peace in conflict countries. But it has also used the power of aid in ways of which we should feel ashamed—forcing countries to privatise key industries and basic services, forcing them to eliminate subsidies to crucial industries, et cetera, flying in the face of the evidence but suiting the interests of British corporates.

The temptation in the aid business has been to use aid as if it was hard power—in other words, paying for strategic advantage and economic preferment. There are many examples of this historically, from the US cutting aid to Yemen, one of the world's poorest countries, when it failed to support the first Gulf war, to China today only giving aid—I do not know if you know this—to countries that do not recognise Taiwan as an independent country.

But the nature of soft power is that it is somewhat more nebulous—less direct. The UK is almost unique in its worthy insistence that aid is not used for political or economic gain, and it is right that that is so—the best aid relinquishes control to recipients who take the lead in spending it. It does not always work, but it is more likely to, and the respect earned is the soft power we are talking about. So, no, I do not believe aid should be used to promote our own interests. I think it should be used to promote international public goods and universally agreed values, which implies a move away from bilateral objectives and towards a more rules-based international public finance regime.

To finish—and thank you very much for your patience—in my view the question is not about how the UK can safeguard its power and interests, but how it can help the world transition to one in which power is spread more evenly, for the good of all.

Q128 The Chairman: Right, thank you. That states your position very clearly indeed and raises lots of questions which we will pursue. Mr Vernon, would you like to have a go?

Phil Vernon: Thank you, Lord Chair. If it is okay, I will do something a bit similar, but maybe a bit shorter in answer to your question.

The Chairman: A little bit shorter, because then I want to get to Mr Birrell.

Phil Vernon: I would just like to say, first of all, that at International Alert we are a peacebuilding organisation, so we are part of the aid sector but a specific niche within it. I think we are about 18% funded by the British Government—

The Chairman: 80%?

Phil Vernon: 18% funded by different parts of the Government. I would like to think we are pretty independent, so if we are talking about the soft power of the UK Government I think that our work is probably not very much part of that—but of the soft power of the UK as a nation, probably yes, and I will come back to that in a moment, if I could.

Soft power is perhaps the achievement of one's aims and ends through non-coercive means—through not purchasing, through not bribing, but through attracting and perhaps co-opting, in the better sense of the word “co-opting”—as Joseph Nye says. I think he also says—I think I would agree with Jonathan—it is highly relevant to the current situation and the situation in the world. If the currency of soft power is, as Nye says, values, culture, policy and institutions, it seems to me that one's soft power is embodied in the choices one makes and the actions one takes. So it is not what you say that you say but what you do which gives you power.

I am not so sure about power being a zero-sum game. Power is not a commodity. One can really only talk about power vis-à-vis a particular objective or situation. I think one can look at soft power vis-à-vis a particular goal or aim. If it is fair to say that the United Kingdom Government and people have, as a long-term aim, a world which is increasingly liberal—in the general sense of the word—and democratic, prosperous and peaceful, then soft power is a very good way that this country can contribute to achieving that aim. A world that evolves in that way is not a linear process; that evolution is history—it is difficulties happening in the world. If the world becomes more liberal and democratic, it is not something that one can instrumentalise through coercion or through purchase, so soft power seems highly relevant to it.

Is aid part of soft power? That was one of your questions. The answer is yes, no and maybe. I think Winston Churchill is said to have said about the Marshall plan that it was the “most unselfish and unsordid” act by a great power in history. I know it is controversial whether he said it about the Marshall plan or about lend-lease, but if he did say it about the Marshall plan, that quote embodies the complications of your question. Obviously the Marshall plan was not only unselfish, but it was to some degree unselfish. That opens up some of the complications of the question “Is aid a soft power instrument?”

The act of giving, especially during a time of economic difficulty has got to be something that attracts people. If you divide aid into three areas—very briefly, my Lord, if I may—although all aid is political, humanitarian aid is probably the least controversial type of aid. The more humanitarian aid this country gives to people in difficult circumstances, the more I think a good press is going to accrue to this country, which gives us power and capital. I think development aid is a bit more complicated, but development aid that this country gives is not just money. A lot of what we do to support people in places like Uganda, Tunisia and Egypt is not just about money; it is support of other kinds, so we are contributing to progress in other ways. The third thing is that, through the aid budget and through our actions as a country, we are supporting the international system, which creates an enabling environment for a better world—a more prosperous, more peaceful and more democratic world. So I think, yes, there is a soft power element to overseas development aid given and supported by the UK.

Q129 The Chairman: Right. Mr Birrell, what do you think about that?

Ian Birrell: Well, it is interesting that we talk about humanitarian aid as being uncontroversial, because if you go to Haiti, of course, you can see a country which even before the earthquake three years ago had four times as much per capita in terms of aid as the Marshall plan gave to Europe, yet incomes have declined by a third, despite having so many more charities operating there than anywhere else. After the earthquake, there was huge resentment at this army of aid workers who came in and all lived in \$5,000 flats and drove around in new cars while the people were suffering; in fact, the legacy is intense bitterness at how, according to the Prime Minister, 40% of the aid money went on

supporting the aid workers who came to save the country—and failed to do so so dismally that so many people are still living in abject squalor and without homes.

If we look at the issue of soft power, it is an interesting question because it of course implies that soft power, when it comes to aid, is also all about the donor and not the recipient. One of my key arguments is that it is, of course. This very question and session underlines that. I think that Britain has huge advantages worldwide in soft power. If you look at the obvious things like the English language being so dominant; if you look at things like our education links; even if you look at newer things like music—I speak as the co-founder of Africa Express, a very successful project bringing together African and western musicians—and of course Premier League football, which is so dominant across Africa, the continent that I know best, Britain has these enormous advantages, along with issues such as our historic traditions of tolerance and democracy. Unfortunately, the way that the whole aid agenda has been allowed to dominate over the last 30 years, combined with a mixture of patronising attitudes which came out of it and an arrogance about our own brilliance, really, in terms of many of our institutions, gets translated when you see it abroad as looking down at a lot of the countries that we are meant to be helping.

My issues with aid, in particular, I suppose can be summarised threefold, one of which is that while we preach against welfare dependency at home we are encouraging it abroad. We are doing so in a very, very regressive, devastating manner which is all about us coming along and telling people what to do and not listening to people on the ground. That actually often has disastrous effects. Secondly, we are supporting some of the most barbaric regimes in the world with our aid money. That is hardly a good way to spread British influence and power, when you are subjugating people and backing regimes which are guilty of appalling human rights abuses and democratic theft. Thirdly, there is this idea that Britain has put forward over the last 30 years—particularly our politicians and a couple of pop stars—that we can save the world and that we are the saviours of the world. This has been continually propagated with the idea that these countries are in need of our salvation—that they are sort of basket-case countries that are helpless, that they are dominated by starvation and conflict, that poverty is endemic everywhere, and that conflict is everywhere. That has the negative effect that actually people do not want to trade there and do not want to go there. They see Africa, particularly, as a horrible place of extreme violence, when the reality is so different. That is putting off trade, putting off people going there for holiday and putting off links, and therefore it is undermining our soft power.

On top of that, I would say finally that we talk all the time about soft power, but it is often contaminated by hypocrisy. We talk of democracy when our own electorate is growing increasingly disenchanted. We talk about improving tax regimes when our own tax regimes have been so controversial in recent months and years. At the end of the day, there is the issue of how we would feel if scores of young Africans came here and started telling us how to run our own schools and hospitals. Of course they would not be allowed to come here because our visa policies do not allow them to, but were they to be allowed to we would not like it. That is as true in Africa. I hear more and more across Africa—you can see it with academics, with the young middle class, with politicians—that people resent the aid and the aid industry, which is growing so fast, and they resent the patronising and anachronistic attitudes that lie behind it. That is very damaging to our British interest long term.

If I can, I will throw in just one last thing, which is to consider one country: Nigeria. Out of the top 10 recipients of British aid, it is getting the biggest rise in percentage terms of any of them—going up 116%. This is a country with the fastest-rising growth in champagne consumption in the world, which has just started its own space programme and is about to

start training astronauts, and where our own aid watchdog has said how ineffective a lot of the British aid going there is. Still we are pouring the money in, but at the same time we are turning away their students who want to come and study in our universities, and we are just about to introduce a bond of several thousand pounds to deter the sixth highest-spending consumers coming to our shops. It is utter insanity, and it shows the ridiculous, twisted and contorted nature of British policies towards the developing world that we have ended up with, where on the one hand we think we are saving them by giving them aid, and on the other we are saying to them, “Don’t come to our country to learn—to come to our universities—don’t come here to trade, and don’t come here on holiday”. To me, that shows everything that is wrong with our British soft power approach when it comes to aid, trade, tourism, development and immigration.

Q130 The Chairman: All right. I am going to give your neighbours a chance to take another view, shall we say, because I think that this creates a good contrast of views about the whole scene. Before I do so, I think that Members of my Committee might like to ask a question or two. Who would like to go in first?

Baroness Nicholson of Winterbourne: I would just like to follow up what Ian Birrell said. The two points that you make, which fit together so well, are, first, that aid is resented—you mentioned that you think that is clearly the case; there are many and prolific examples of it—and, secondly, that we in a sense have depicted ourselves as saviours of the globe. That strikes very strong notes with me, yet Mr Glennie is suggesting that we should put a great deal more money into non-accountable multilateral expenditure in order somehow to help liberal democracy in the world. What is your answer to that point?

Ian Birrell: Well, I do not think that you impose democracy from outside; I have never thought that and I never will. If we want to help democracy, we should tackle the things that we can do at home. One of the biggest problems that Africa has is capital flight, with money being creamed off, whether by tax evasion, corrupt politicians or whatever. Where does a lot of it end up? It ends up in Britain, in British property, with British legal firms washing it and British banks hiding it. Why do we not start cracking down on the things that we can do at home, instead of lecturing the world on what it can do? If we could do that and start exposing a lot of these people who are stealing the money from their own people, it would have a huge impact on democracy.

Baroness Nicholson of Winterbourne: But that is a bit of a red herring, because we are looking at soft power overseas.

Ian Birrell: But that is soft power, because soft power is also about, rather than lecturing people, actually doing something. Here is something that we could do at home but do not. Were we to do it, that might get a lot more credit abroad than telling people how to run their own countries all the time.

Q131 Lord Forsyth of Drumlean: My question is for Mr Glennie about his opening statement. Distinguishing between development aid and humanitarian aid—and leaving humanitarian aid on one side—how do you think it can be justified to ask people, perhaps on low incomes, to pay taxes without any indication of a return for them, for their economy and for the country? If it is because you think that there is some moral duty for doing it, would it not be better to raise these funds through the NGOs and others by people making voluntary contributions? Surely the Government are taking money by force from people for this purpose. Is there not an absolute moral duty to show that value for money is being obtained and to show that there is some benefit to the people who are having to make that contribution, particularly when times are hard?

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Jonathan Glennie: I would like to answer a couple of Ian's points, but the answer to that point is really yes and no. Is there a moral obligation to demonstrate to rich Britons that there is a return on the taxes—

Lord Forsyth of Drumlean: I did not ask about rich Britons; I asked about taxpayers.

Jonathan Glennie: Sorry. I am speaking about rich taxpayers in Britain—

Lord Forsyth of Drumlean: Most of the money from the taxpayers comes from people on low incomes.

Jonathan Glennie: I am sorry; I was trying to make an analogy. Is it okay for wealthy taxpayers in Britain to subsidise the living standards of the very poorest in Britain? Should those wealthy taxpayers expect a clear return on that or is it simply the right thing to do? Should London help to subsidise the poorest parts of Wales and some parts of the north of England? Should London expect a return on that or is it simply the right thing to do? My argument is that it is both. It is the right thing to do. I do not think that rich countries should expect a return on their help for poor countries. Nevertheless, they do get a return. I believe that when other parts of Britain are doing well, London also—in a somewhat nebulous way, admittedly—benefits. I believe that when other parts of the world are doing well, Britain also benefits, especially as we now live in a world where there are planetary resource limits and we all have somehow to divide our resources fairly and sustainably. I think that it is absolutely okay for Britain to support poorer countries without a clear, immediate return, even when we are going through economic turmoil and tough times, because our turmoil is nothing compared with the economic turmoil and tough times that other countries are going through. The response to people living on very low wages, with lowering wages and increasing inequality in this country, is to deal with our own policies. We have immense inequality in this country, so let us deal with the British policies and not—David Cameron is right about this and says it again and again—try to bring the rest of the world into it.

Lord Hodgson of Astley Abbotts: I, too, have a question for Mr Glennie. I think that you said that we have been in the habit of using aid as a type of hard power and that, instead, aid should be used to promote what I think you called universal values. Who sets the universal values? Is it not patronising if we are setting them?

Jonathan Glennie: Admittedly it is a difficult academic question, but the UN Declaration of Human Rights is signed by almost every country in the world and, broadly speaking, those are the kind of universal values that I would say should underpin all our international co-operation. Since that declaration was made, there have been a series of declarations that, again, most countries of the world have signed. So there are, I would argue, some quite clear universal values, although I admit that it is a very difficult question—some countries sign them without really believing in them. We deal with that the whole time in international development. It is a complicated area.

Q132 Baroness Hussein-Ece: I want to go back to what Ian Birrell said. You were obviously being very challenging to us, which is very welcome, as it gets us thinking.

Ian Birrell: I thought that I was being quite moderate.

Baroness Hussein-Ece: You were challenging what we have heard so far in these sessions. One thing that resonated with me was when you talked about some of the aid programmes having the patronising attitude, “We know best”. That has always been a problem historically with this country, because of its colonial past, I suppose, especially with Africa. I was in the Sudan recently—I must declare all my interests, which are on the list. We have had a briefing

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from DfID about what it has been achieving and its outputs. You could not argue with some of the things: 5.9 million children in primary education per year; immunisation—

Ian Birrell: Do you want me to deal with that one first?

Baroness Hussein-Ece: I have just given you a couple of examples. If you stop people in the street in this country, generally they will say, “It is surely a good thing to provide education rather than dishing out aid. These are things to empower people to do better in their own countries. Immunisation and all the rest are surely a good thing”. I hear what you are saying about visa restrictions here, which is an issue that comes up quite a bit. In terms of DfID responding, by the time that it has recalibrated its priorities or strategies, things have moved on in some of these countries and it is not quite keeping up. That is the first point that I wanted to ask you about. Also, my experience of talking to Ministers, MPs, various people and NGOs that I met when I was in the Sudan is that they want more investment. They want Britain to do more; they do not want Britain to go away. Even as a former colonial country, they are saying, “They are not supporting us in developing business to make our people prosperous, coming out of the conflict. We need business investment”. They did not talk about aid so much, but one of them said, “We want to go back to the golden days when we had a marvellous relationship and you supported us to become potentially a rich country with our energy, oil, gold and so on”. Do you think that we are not balancing those two things? The old slogan is “Trade not aid”. Should that be what we are looking at?

Ian Birrell: I think that it is slightly too simplistic just to go down to trade versus aid, but certainly trade will do far more than aid ever will. Mo Ibrahim said only this week that aid was never going to help Africa to develop. It is very easy to trot out statistics without bothering to look at what lies behind those statistics. Let us look at the one on primary education. Last year, I was asked to go out to Kibera by some of the people working for British charities who were so horrified by the patronising attitudes that they saw from the British charity workers. Kibera is billed as the biggest slum in Africa, but in fact it is not. In the middle of it is a fantastic primary school, which Gordon Brown once visited to proclaim how brilliantly this money was doing in terms of primary education. In fact, what happened there was that free primary education came in, but there were no extra teachers, no extra classrooms and no extra books. The school, which is very famous, is right in the centre of Kibera. It used to offer a fantastic and inspirational education to the kids in the area, but standards absolutely crashed because the number of kids going there doubled. What then happened was that all the rich kids left and went to private schools, which increased inequality. Now some of the poorest kids are setting up their own private schools, because standards have fallen so much. So, yes, we are putting more kids into primary education, but actually the standards are worsening.

This is not just me saying it. The independent aid watchdog said that £1 billion went into education in three east African countries but standards did not rise at all, for the same sorts of reason. They said exactly the same about Nigeria. It is easy to trot out these statistics from a department whose only interest is to give away ever bigger sums without ever monitoring effectively how that is being spent and turning a blind eye to unbelievably bad human rights abuses. We should look behind the statistics at the evidence.

It is all much more complex, of course. Is it just about trade? It is not just about trade. We can do many other things, such as the ones that I have highlighted, including dealing with visas and clamping down on corruption where it comes to our shores. But it is part of the equation. The problem is that we have been so blinkered over the last 30 years by this aid

obsession. To some extent, I think that it is a weird colonial guilt, which has made us end up in a strange form of neo-colonialism today. The legacy of that is that we are missing opportunities. Look at what countries such as Turkey and Brazil are doing in Africa. It is incredible how much they are achieving—it is not just China. Yet we, who used to do more trade with Africa than anyone else, are being left behind because of this obsession with saving Africa through aid.

The Chairman: But is your point, Mr Birrell, that our aid does not work or that the whole principle of trying to improve a nation's reputational position by aid and development programmes is wrong? I am not quite sure. Or is it both?

Ian Birrell: It is both. I think that aid is regressive and does not work and I think that increasingly it is resented and is bad for the British image. So it is both.

Q133 The Chairman: Now Mr Glennie.

Jonathan Glennie: I think that Ian is a brilliant writer and I agree with a lot of what he said just then. I just want to throw in the fact that I wrote a book called *The Trouble with Aid: Why Less Could Mean More for Africa*, not because I want you to read it, although if you wish to it is a very good book, but because I want to demonstrate that I am not sitting here as a mega aid lobbyist. I have criticised aid a lot, but nevertheless my view of Ian's work—I have told him this—is that he is a polemicist. He has a line and he draws all the evidence that he can to follow that line. It is simply not okay to dismiss all the evidence, of which there is a vast amount, that aid has sometimes worked to deliver education and health in many parts of the world. I used to work for Christian Aid. We spent £1 million a year in Colombia. I can verify—Ian will disagree—that that aid meant a lot to the displaced communities in the north of Colombia and the poor women's groups that we worked with in Bogotá. That is one tiny example, but my point is this: aid is very complicated. That is where I agree with Ian. I also agree that there is this big saviour complex. I think that we have totally exaggerated the importance of aid. The tax regime change that Ian is backing is something that we worked on at Christian Aid long before anyone else picked it up. I fully agree with all that stuff, but I do not think that it is okay to say, "All the effort of aid over the last 30 years is nonsense and rubbish". That is just not true. Ian says that everyone resents aid. There is some resentment towards aid, yes. People in government do not like being told what to do and they are quite right not to. A lot of people see the long-term, cumulative effects of aid, which is to do with aid dependency. There is a brilliant book called *Time to Listen*—not written by me. You should look for that. It speaks to a whole bunch of aid receivers, who recognise the good that aid does. They also point out a lot of the problems with aid. That would be my slightly more balanced line.

Q134 The Chairman: I am just going to ask a soothing, moderating question in my proper role as Chairman before we go on with this theme. Building on my original question, do all four of you believe that something has changed? One of the reasons we are here in this Committee is that we have a sense, largely supported by outside opinion, that the conditions of Asia, Africa and Latin America have changed, that the political outlook has changed and that there is a rising not merely economic but intellectual and political power in these nations. They look at Europe as being the cock of the roost for the past few hundred years and they say, "We've had enough of that". Whether you think that aid is patronising and the wrong thing or whether you think it is doing extra work—both propositions are true—are we in completely changed conditions from, say, 30 years ago? Can I have a view on that?

Phil Vernon: There is a very simple answer to that and it is yes, absolutely. Things have changed massively and are changing. I think that the way you have framed this inquiry is a very interesting way of looking at that issue. I am not here to defend aid. I am not actually here to present the idea that aid is a factor in soft power, but I think that the world has changed and that Britain's role in the world is changing and will continue to change.

The Chairman: So that means that, if we are to do anything at all, we must couch whatever we do—humanitarian development or anything else—in terms that are different from the language of the aid lobbies of 20 or 30 years ago.

Phil Vernon: Absolutely. In a way, I would not be an adherent of the UK's soft power objective. I am a big fan of liberal democracy, but I am not a Whig. As a liberal democracy, we have to admit that this country, which is relatively successful, can make a great contribution to the evolution of other parts of the world in that direction. I think that we have a very attractive set of institutions. Those—I do not necessarily mean Governments—in countries which are developing look to countries such as the United Kingdom and the United States and see things that they like, and they want to see what they can do along the same lines. We are an interesting model—although not a role model—for people to have a look at and learn from, and I think that that is part of the soft power equation. It is not the soft power for the United Kingdom; for me, it is the soft power of peaceful, prosperous and liberal democratic ways of living, for which I have a lot of ambitions for the world in the future.

The Chairman: I have just one more question and then Lord Janvrin and others may wish to come in. Mr Pyman, the word in front of you—"Transparency"—is now central to a lot of our discussion. Ten or 15 years ago it was not much use. Does that fit in with your view that we are dealing with new conditions, new values and new standards around the world?

Mark Pyman: The quick answer is that I do not know. I was not around 30 years ago in this industry, so I cannot give you a 30-year comparison. However, I am just thinking about the work that we do. We work a bit with conflict in poorer states but we work a lot more with countries that are in this rapidly developing environment, such as the Philippines, Indonesia, Colombia and India. We are involved in tackling defence corruption and security corruption. I think that I am in agreement with Phil. These countries are well aware that they are growing quickly, and they are well aware that they are going to outpace the UK by miles, if they have not done so already, but I find a huge appreciation of what the UK has to offer. It is nothing to do with patronising; it is to do with saying, "You've got skills and competences that we want to have from you". I find that sincere and genuine, and I find that it is clearly contributing to what is happening in a particular country. To take an example, Colombia has had huge problems with the guerrillas and narcotics over the past 10 years. They were well aware that one of the reasons they were failing was that the public rightly perceived that the Colombian military and the Colombian MoD seemed to be tied in with both illegal groups—it was perception, if not fact—and we worked with them for some years to try to untangle that. This has nothing to do with patronising or colonialism; they have big, serious and difficult problems, and we are a group that they think can help with those problems. That is what we find in country after country. I do not think of this as something very different from the situation 30 years ago. I think it is to do with providing really competent assistance on problems that quite often dwarf the scale of the UK's problems.

Q135 Baroness Nicholson of Winterbourne: The common theme coming across is more or less that aid only sometimes works, if then. However, that is not good enough, is it? ²¹
This is a large sum of British taxpayers' money that we are supposedly using to help

individuals and communities. There seems to be a thread coming through that the world has indeed changed, yet thinking of the Declaration of Human Rights I am reminded that we are not in 1947 and that many conventions have followed it, sometimes competing with it. Indeed, a common values system can no longer really be found very easily in the United Nations conventions. Coming back to the point about common values—here, we are being instructed that perhaps UK values, such as they are, are ones that people search for from us—would it not be better to have a look at what we are trying to achieve as a nation and to try to see exactly how we can analyse, quantify and determine exactly what we want to achieve as a nation, rather than perhaps as individual departments running in different directions? I feel that no one has yet said what aid actually works. Is it possible that that is because the very word “aid” is now so fuzzy, imprecise and unquantifiable that perhaps no one here can tell us what it really means, let alone which element of it works?

Phil Vernon: I absolutely welcome your question and I completely agree with what is behind it. I have also written something that was published a couple of years ago. I found it very difficult to know whether I was talking about aid, development assistance or simply “processes which make life better for people”. It is quite hard, and I absolutely think that we have to look at what we do as a nation, and indeed as groups of nations that we are part of as well. I do not think that we are alone in this enterprise. A lot of issues come out of what you have said. I work for a smallish NGO. Our annual budget this year is £14 million. I think that we do a heck of a lot with relatively little. You can call what we do aid and you can call DfID giving £100 million to a Government somewhere aid, but they are very different endeavours. Putting everything together, it is easy for Ian to say that aid is wrong. I am sure that he knows as well as any of us that there are very good examples, as well as lots of bad examples.

If I may, I shall give you just a couple of examples of our work that I think do work. We have reported on some of the outcomes in the past year. We have supported interesting new ways of working among political parties in Lebanon. We are doing that not with British support but with Norwegian support. That is aid, if you like. We are, and have been for the past three years, helping members of political parties in Lebanon to discover new ways of working on issues which get them beyond the sectarian differences that they have. It is long, slow work, but we have seen evidence of change there. That is aid.

We have helped local community members to support the resolution of conflicts in the Congo and Kyrgyzstan. In many places we have helped to increase transparency and due care in the way that mining and oil are managed in specific contexts. I could go on but these are examples of actual outcomes with evidence behind them and of changes that have happened. Most cases are not huge; they are relatively small. However, they are all part of what I think is the incremental enterprise of fostering the evolution of change, which is non-linear. You cannot preordain it. Certainly I could not be patronising and sit here and say that in the Congo it is going to change like this. With Congolese colleagues, I can formulate a strategy as to how my organisation, working with others, can support and thrust forward the changes, but I cannot preordain it. No one can preordain how history is going to happen, which is what development actually is. It is a very complicated enterprise that we are talking about here.

The last thing I would say is that it is bound to fail a lot of the time because there is no clear theory of change that one can put out there. One of the mistakes that we sometimes make is to try to over-codify the business of political, social and economic evolution. Sometimes things just happen. I think that the most we can do is to help to create an environment in which things can happen more effectively, whether through capacity, skills, a bit of money,

capital or improved legal systems. All those sorts of things contribute, but it is definitely down to the nation and not DfID.

Q136 Lord Janvrin: This very much follows on the theme of looking at the promotion of values. You talk about liberal democracy, conflict resolution, transparency and that kind of thing. Mr Vernon, we have been focusing very much on some of your thoughts but I should be interested in hearing from some of the others. Looking five or 10 years ahead, is this the way in which we should be looking at how Britain, if you like, scopes its aid overseas? I am using the word “aid” in very broad terms. Given that a number of you have spoken about the international importance of this—the fact that you work with the Norwegians and so on—is Britain going to get some kind of benefit out of it? Where you are international organisations but are probably seen abroad as British, are you extending our soft power with this sort of international approach? In other words, I am trying to untangle what is in it for Britain—I am sure that some of you may consider that to be the wrong question but I think that you necessarily have to ask it—while, at the same time, promoting international values.

Phil Vernon: Perhaps I may quickly start off on that. I would say three things. The answer to your first question is yes. I think that is the way in which we should be thinking about scoping our support—call it aid or whatever. Secondly, is power accruing to this country? You are familiar with the millennium development goals. They are expiring in 2015 and will not be met. There are lots of reasons for that, and plenty that one can read about. I think it is fair to say that British NGOs and the British Government have been at the forefront—we have been intelligent voices—in shaping the next round of goals which are set to replace the millennium development goals. They are far more interesting than the MDGs. They are not subject/object goals; they are not about us doing things to other people or people “over there” getting a better life. They are supposed to be universal goals. They are an attempt to take the Millennium Declaration, which every country bar one, I think, signed up to in 2000, and convert it into a way of thinking about how change can happen differentially in different contexts and how the richer countries can support those changes. So I think that there is some soft power accruing to us but, as I said earlier, I think that one can only really examine the amount of power one has vis-à-vis a particular goal or end.

Q137 The Chairman: How do we avoid Mr Birrell’s concern, to put it mildly, that in these operations we might be helping undesirable regimes to do nasty things, or, because of an element of “We know best” and “We’ve got wonderful systems and we’d like to share them with you”, that we are being a bit patronising? How do we avoid those pitfalls and maximise the sorts of things that you have talked about? That question is for Mr Glennie.

Jonathan Glennie: Let me try to answer that quickly by saying what aid works. We have heard that a lot of the small aid—civil society-level aid and small interventions—works and I think that there is plenty of evidence of that. In terms of big aid, my line has always been that when you are talking about the cumulative impact of the aid as a small proportion of the recipient country’s overall finances—in other words, it is 30% or 40% of a country’s finances over a 20 or 30-year period, and that is the experience of many countries, especially in Africa—then I would argue that we are talking about the kind of analysis that Ian has given. A lot of very poor countries such as Rwanda and Liberia are seeking to reduce their aid dependency over time, and I think that that means that they can continue to use aid much more effectively, rather than just finish up with aid. How do we avoid the negative impacts? Life and history are complex. If you can take aid totally out of the equation, you still have Britain, America, China and a whole bunch of other countries supporting nefarious regimes. It has little to do with aid. Aid is one tool in the armoury of countries that sometimes want

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to support democracy and sometimes want to totally undermine democracy for their own interests. That is just life.

On whether we are working as a nation or working as DfID and other ministries, that is an interesting question. I can see the argument that says we should all be working together to achieve a similar objective. In our trade that is known as policy coherence—a nebulous term. Phil mentioned the 2015 goals. Those are going to be under the framework of sustainable development. The whole idea is that everything comes together in a kind of Utopic, wonderful new world. There obviously is a case for everyone working together, but at the same time it is quite unlikely that that is going to happen. I can sit here saying that I do not really believe in putting forward British interests and that I think we should be trying to seed interests in favour of the poorest of the world, but I also understand politics. So there is something to be said—and this was the great genius of setting up DfID—for having a champion for the poorest within government. The MoD and the FCO are always going to have slightly separate objectives. DfID has had different objectives. There is a story that Tony Blair told in a speech that he was giving to the ODI. I think he said that he was visiting Sierra Leone. He was speaking to some of the DfID people there and he asked, “How does it feel to work for the Government?”. This particular person said, “I don’t work for the British Government; I work for DfID”. Certainly in the early years, there was a very strong sense that DfID was specifically set up in order to champion causes that the overall British Government—quite understandably, because they are meant to represent the interests of the British people—might not champion in the same way. I just share that thought with you.

Q138 The Chairman: Mr Birrell, it is your turn, and then we will hear from Mr Pyman.

Ian Birrell: I think that spinning out DfID was one of the biggest mistakes that Tony Blair’s Government made, and there are a lot to choose from. All that has happened is that budgets have got bigger and bigger and bigger, and it has completely usurped the Foreign Office when it comes to foreign policy. It is driven not by any ideas of British interest but totally by the idea of giving away ever larger sums of money with ever fewer checks.

Going back to other questions about universal values, I think that there are universal values that we should uphold. The problem is that we do not uphold them. We talk about aid but you should look at what is happening with aid going to Rwanda. This is a country which has been accused time and again of ripping off minerals from the Congo, of invading the Congo and of provoking a war which has killed more people than any conflict since World War II. Scotland Yard has said that Rwanda has sent hit squads to kill British citizens in Britain. We gave aid to the Media High Council, which stopped independent newspapers being allowed to exist. We gave aid to the body which stopped rivals standing against a President who won the election by an absurd amount. We pour money into Rwanda, despite the fact that it has absolutely appalling human rights issues. I think that that symbolises exactly what has gone wrong with our aid. We talk about universal values and then display complete contempt for them. There is also Ethiopia. I have just come back from talking to people who are suing the British Government because they are among 4 million people being thrown off their land by a one-party state, which is effectively guilty of Stalinist practices. It is totally authoritarian. Again, we are giving money to officials from a one-party regime which is throwing people off the land, which is then sold to people abroad—outside investors—or given to people from the tribe which is running the Government. Again, in Ethiopia, just as in Rwanda and elsewhere, British taxpayers’ money is going on abhorrent human rights abuses, which have nothing to do with universal values which we, as a nation, should uphold and which I personally hold dear.

I shall give you just one other case, which is Somaliland. It has been quoted in an economics paper in Stanford. Because it was not recognised, it got virtually no aid. After a civil war which left the entire country destroyed, the main capital, Hargeisa, was flattened. Most people fled into exile and then had to come back to a country which had absolutely nothing in it in probably the hottest corner of the world, given its location. Then, because it got no aid, Somaliland had no option but to build its own country, its own tax system and its own democratic institutions. They got together and, without any help from outside organisations in conflict resolution, democracy-building, good governance or anything like that, they got on and built a fantastic political system with two Houses—one democratically elected and the other based on a traditional system of elders. It took a lot of sitting around with the big conquerors to work out how to do it but, as a result, they have had elections which have gone to under 100 votes, and they have handed over power quite peacefully. That is a complete model for a country building under its own steam and without outside help. They take incredible pride in what they have done and in what they have achieved. There is even a fantastic maternity hospital, which is now exporting to other parts in the area. They have done it all themselves and they believe that they did it because they do not get aid.

Unfortunately, we are now beginning to see corruption because aid groups are moving in there, but I think that Somaliland—a country even in a place such as that with as unprepossessing a set of circumstances as that—has shown that it has managed to create something which in many ways is a model in terms of tax-raising and particularly in terms of governance. It is such a contrast to Somalia, which is just down below and has had a terrible history in recent years.

Q139 The Chairman: Mr Pyman, would you like to add anything to that?

Mark Pyman: I want to make a few slightly different points. First, Baroness Nicholson talked about achieving things as a nation rather than as DfID. In the world in which we work, which is security anti-corruption and defence anti-corruption, DfID has quite a good name. One reason is that it has worked quite hard to make things work across government departmental divides. For all its bureaucratic faults, it has the Stabilisation Unit, which operates across FCO, DfID and MoD. It is just a bureaucratic thing, but most other Governments that I speak to are hugely envious of such cross government working, because they are much more stovepiped than the UK. I think that there is a positive angle there.

The second point that I would like to make is about defining what is soft power. If I think about the analogy with the concept of 'corruption' 30 years ago, absolutely everyone had an opinion on what it was and what the remedy was. It has taken 20 or so years before the understanding of the subject has got to a sufficient depth that you can really disaggregate corruption for different countries or different environments and move to solutions. My sense is that soft power is in the same state today, and that it is going to be five or 10 years before people have a real understanding of it. It is currently the vehicle for too many of our wishes for UK influence, which I do not think is a very effective starting point.

To think about DfID in five to 10 years' time, DfID's statutory obligation is to eradicate poverty. If I remember my statistics, most poor people in terms of numbers are in places such as China, Indonesia and India; in other words, they are not in the poorest and most fragile countries - the Rwandas, the Burundis, the Haitis and the Timor-Lestes of this world. Either its priorities are somewhat in the wrong direction or it is a wrong statement of priority. I do not quite know the answer to that, but it is not quite what you expect. If India and China are where DfID should be putting its money to match the objective of eradicating most poverty, then something is wrong with the objective.

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My third point is a very small example of benefit to the UK. My team works a lot in Ukraine, with the security services and the defence environment. Not only is it a hugely corrupt nation with huge corruption problems, but a major reason why a lot of people are poor is all the abuses by the defence and security system. Even though there is limited political will at the top to do anything about this problem, there is a huge body of well meaning people in the heart of the security and defence apparatus who really want to see this problem get better. They hugely appreciate the kind of input that folk like us are giving them, to the tune of training thousands of senior officers and things like that. Phil put this in the context of small civil society things and maybe it is in that category but, to me, in terms of the influence that the UK directly gains from that, it is very tangible in a nation that has a long-term strategic interest for the UK.

My fourth point—and here I agree with what Ian said a little while ago—is that one of the problems with lots of aid is that corruption always comes with it. It is very hard for it not to. The aid agencies mostly have a pretty bad record at putting strong measures in place to limit that corruption. DfID is by no means the worst of them, but I think that this is an area where one can do a lot better. The other side of that is that the UK is, as Ian says, a centre for laundering huge amounts of corrupt cash. DfID does a bit about that; it funds the Metropolitan Police unit that deals with proceeds of crime from overseas—I cannot remember what it is called. It also funds a couple of similar units. But this is very small indeed. In terms of contributing to Britain’s image overseas, Britain as a whole could be 10 times stronger on this subject and have a lot more influence worldwide.

Finally, on the corruption story, the subject is so prevalent in almost all aid environments that it means not that you do not give aid but that you are a great deal more careful about how you give it, to whom you give it and what the conditions are with it. Awareness of that is much higher now after all the dramas of Afghanistan than it was 10 or 15 years ago.

The Chairman: Thank you very much. We have talked about whether aid is an investment and whether there is a return. Lord Forsyth, would you like to ask questions on that?

Q140 Lord Forsyth of Drumlean: Just before I pick up on your point, Mr Pyman, when you say that there is a lot more we can do about Belgravia and Chelsea being in darkness because of all this money, what specifically do you think we should be doing?

Mark Pyman: There are various relatively small initiatives for chasing the proceeds of illegally gotten assets. DfID has a very small initiative and the World Bank has one, but in terms of being ready to go after people where you think the money has come into this country illegally and corruptly, investigations and prosecutions is the short answer to your question, as well as the resources to enable that to happen.

Lord Forsyth of Drumlean: Are you saying that we are dragging our feet on that?

Mark Pyman: Yes.

Ian Birrell: I just want to add a tiny thing to that. There is quite a contrast with France. The French have recently cracked down on three countries where very obvious theft of assets was going on. They have taken quite strong action against the rulers and their families, including prosecuting them and stripping them of assets. That is quite a contrast with how little we have done in this country.

Lord Forsyth of Drumlean: Okay. Just going back to this aid question, I sat for many months on a different Select Committee of this House—the Economic Affairs Committee—when we looked at development aid. One thing that struck me during that inquiry was that we had former officials from DfID saying to us, “We can’t spend the money quickly enough”.

Therefore, if people are spending money without clear objectives and clear methods of measurement, you are going to get waste and damage. The impact of that was huge distortions in the local wage economy and huge distortions on tax collection and so on. We are here not really to look at the merits of development aid as such but rather to look at it in the context of soft power. What I find quite difficult to grasp is that, if people argue that aid helps with soft power, when one asks how we can measure that and what are the examples—and listening to the diverse opinions from the four of you today—it tends to be asserted, “Actually, we’ve done great things in this or that country”. But it is difficult to get metrics that enable us to quantify whether it adds to soft power or makes no difference to soft power. Mr Glennie gave me the impression from his evidence that he does not really care whether it affects soft power or not, because he sees it as something that we should do regardless of Britain’s interest. But this Committee is looking at soft power, so is aid actually helping with soft power? If so, how can we measure the effectiveness of the benefits of it both in the short term and the long term, and are we doing it?

Phil Vernon: Yes, that is the 56 something or other dollar question, I think—

Lord Forsyth of Drumlean: It is \$11 billion, actually.

Phil Vernon: I think that the answer is probably that we cannot yet. This is the nub of the problem, I think. Turn back the clock 30 years. Aid was pretty simple. It was about building roads in places where we do not have roads. It was a very basic equation of investment in this in order to allow the possibility of that. Now, as we have peeled different layers of that onion over the decades, we have seen more and more of the complexity of what it means to—and I like to use this word—evolve, politically, economically and socially. I would say that I have learnt that it is virtually impossible to know exactly how to measure that. Not only that, but we will not know for some time.

Let me take the example of Rwanda as a way of throwing into sharp relief the challenge. Nobody would doubt that, if one could contribute to central Africa being a better place for its citizens, that would be a good endeavour and a good thing to do—“good” and “better” according to the values that we talked about earlier. The problem is: what is the historical process through which the people of central Africa might achieve that more prosperous, more peaceful life? We cannot know; we can only posit. Take Paul Kagame, the President of Rwanda. One can look at him and his Government and say, “This is a corrupt, evil, et cetera Government that is stamping on people’s rights. We should definitely not support him or anything that he is involved with”. One could say, as he does—and I do not know the answer to this; I have worked in Rwanda myself, but I do not know the answer—that he has a good idea of how his country, which he knows better than we do, might evolve. He believes in same sort of values as we do but, a bit like St Augustine, not yet, because he does not think that the country is ready for it yet. So he is trying to shape the future of his country, which will be more in line with our values. If you are the British Government or a British NGO thinking about whether to try to provide support to those historical processes that have yet to unfold in Rwanda and its part of the world, I think that you have a judgment to make. It cannot be a judgment made on the basis of science; it has to be more of an arts judgment. It is, “Do we think that by allying ourselves with those people who are in power currently in Kigali and in that country we can help them to create the possibility of a better future for the people of that country now and in the future, as well as in the region?” It is a judgment. The metrics are too difficult and we will be dead before it is clear. So it is a bit of an article of faith.

Q141 Lord Forsyth of Drumlean: But just to give you an example, and I shall probably get into trouble for saying this, I remember that a couple of years ago, when Andrew Mitchell was in charge of DfID, he wrote me a letter asking whether I would like to come to Rwanda for three weeks to help to paint a school. I thought, “What a ridiculous proposal”. I am sure that, to improve things in Rwanda, there are better ways of inputting the cost of me going there for three weeks to paint a school. I completely understood why a project like that might be helpful to the Government or to Britain’s image, but I did not know whether it would be helpful to Rwanda. Did it represent a sensible way of using resources? I had my doubts, so I did not accept his invitation. What I am trying to get to the bottom of is this. My perspective is that we should not be spending scarce resources unless we know that they are going to advance our interest or that of another country and we can see the benefit. How are we meant to progress, given the sums involved? If this is justified on the grounds of soft power, where is the evidence?

Phil Vernon: It is a big challenge, and I would say that we cannot know for sure the answer to that question. It is something that will take time. What I would say, going back to the question about whether it is a British or a DfID thing, is that if one chooses to invest one’s scarce resources in that place that I was talking about, one needs to accompany the investment of the money with people of the highest and most astute political calibre. It is not a technical investment; it is very much a political investment that one is making. So if one goes for that and one decides to invest those scarce resources in the ideas and the projects of the Government of Rwanda, one has to do it with one’s eyes wide open, create a genuine political partnership and take the risks that go with that.

Jonathan Glennie: I think, with respect, Lord Forsyth, that possibly you were not invited for your painting skills; more probably, it was an opportunity for you to experience life in Rwanda rather than for you to help with building a school. That, I think, is relevant when we look at the kind of approach that we take to aid. This is where I disagree with Ian. I agree with the use of soft power when it promotes, as I said, positive values—not when it promotes our own interests, which is not something that I am particularly concerned with. With regard to Rwanda, I think that it is useful to have people who know deeply about Rwanda. I do not agree that Britain should simply cut off ties with all countries. I presume that Ian also means trading ties, by the way. There is no reason why one should cut aid and continue to trade with these heinous human rights abusers, so presumably there would be trade sanctions as well, in which case why are we trading with China? Why are we trading with the United States, a heinous human rights abuser? There are all sorts of other countries, too. We do so because engagement is often—not always—as good a thing as cutting all ties. Aid is part of that. Knowing about the country deeply and politically is a crucial part of answering your question, which is how we know whether we are making any difference. It is incredibly complicated. It would be great to have some clear evidence. New ways are emerging—the famous randomised control trials—that demonstrate which aid interventions are really working and which are not. It is a kind of social-scientific analysis. The reality is that, with these big investments, we do not know. Where is the evidence in Britain that a huge investment in whatever it is, perhaps the big railway, will—

Lord Forsyth of Drumlean: Exactly.

Jonathan Glennie: Fine, but where is the evidence? Maybe that is a terrible example and everyone disagrees with it, but sometimes the British Government make big investments on the basis of some evidence and there is a huge disagreement about it. There is politics involved. Indeed, in aid there are huge disagreements about which aid has worked and which aid has not worked. Ultimately, it is an analysis of the evidence and a balance of it. I do not

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believe that we will ever come to a stage where there is clear evidence one way or the other. It is partly an art.

I have a thought on the Chinese way of doing things. We have just had a Chinese delegation over in ODI. This is a simplistic way of putting it, but the Chinese way of doing it is to assess the impact of their output. In other words, when they have built the road, they assess whether the road is any good. That is a much easier thing to do than the task that DfID sets itself, which is not to assess whether the road is any good but to assess whether the road has had an impact on reducing poverty, increasing economic growth and supporting women's rights—all those important outcomes, to use the technical language, that we really care about. That is really, really hard to check. DfID quite rightly sets itself a hard task. We will always be in this mire of, "It is not clear on the evidence". My point is that we have the money to give aid. I do not think that we should be cutting aid on the basis that we are poor.

Q142 The Chairman: Did you say that we have the money?

Jonathan Glennie: Of course we have the money. We have huge amounts of money compared with the rest of the world and these countries that we are talking about.

My final point—and this agrees with what Ian and Lord Forsyth have been saying—is that we always end up talking about aid, thinking that it is the big thing, but if I was to make a list of 10 issues that Britain needs to focus on to increase poverty and to increase sustainable development around the world, and therefore to support soft power, if that is something that is a concern, aid would be down there at No. 10, possibly. It is not unimportant, but it is not as important as sorting out our tax regime, reducing our climate change emissions, sorting out the arms trade, making sure that our businesses are properly regulated or promoting human rights, which since the financial crisis we are doing less than we previously did, because we are more concerned supposedly with British interests. Those are the kind of things that we should be focusing on, not just aid.

Lord Forsyth of Drumlean: Just to be clear about this, are you saying that aid is 10th on the list as far as soft power is concerned? Are you saying that it does not matter?

Jonathan Glennie: What I am concerned about is the impact that we have on poverty reduction, where, yes, aid is 10th on the list.

Lord Forsyth of Drumlean: In terms of soft power.

Jonathan Glennie: I do not know. You were quite right when you said that I am not that interested in increasing Britain's soft power. I am an internationalist; I think that Britain's relative power needs to decrease over time and that other countries should become richer and more powerful.

Lord Forsyth of Drumlean: I got that.

Jonathan Glennie: That means that we are going to become relatively less powerful, which in my view is progress. It may not be from the perspective of people on this Committee, but it may actually be—

Lord Forsyth of Drumlean: But are you saying that aid is No. 10 on a list of soft power or are you saying that it is No. 10 on your personal internationalist list?

Jonathan Glennie: I am saying that if Britain really wants to help to eradicate poverty from the world and to support the structural transformation required so that we develop sustainably without ruining the world, aid comes down to about 10th on the list of things that we need to do. You can relate that to soft power as you wish.

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The Chairman: We must press on. I know that Baroness Nicholson wants to come in, but we have very little time.

Lord Forsyth of Drumlean: Could we just hear Mr Birrell answer the question, Lord Chairman?

Ian Birrell: Just very briefly, while we are talking about Rwanda, I will quote the former head of Britain's aid programme in Rwanda. He said: "It is difficult to describe how surreal the industry begins to feel after you have worked in Africa. It's certainly the least effective major public sector funded by Western taxpayers". It just seems to me bizarre that people who profess to have concern for the developing world think that it is absolutely fine to carry out some kind of giant social experiment on other parts of the world, which is really what everyone is admitting that the aid game is.

Q143 The Chairman: I want to press on because we want to ask you briefly about working with other organisations around the world. Lord Janvrin, you have a question.

Lord Janvrin: Yes. It picks up quite a lot of the theme of what we have been saying. However internationalist you are, are you actually identified as a British organisation, however labelled, or can you somehow stand above that label by working with others? Mr Vernon, you mentioned the Norwegians. I am back on the theme that if an organisation, which may be labelled international but is seen to be British, is promoting international values, some benefit accrues to this country. It is part of what I think soft power is about, which is projecting values. Do those of you who are looking at some of these international benchmarks, whether it be in transparency or in other fields, think that there is a British benefit to it?

Mark Pyman: From the point of view of my organisation, Transparency International, the answer is yes, definitely. Sometimes we speak worldwide on corruption purely as an international organisation. I lead the defence and security programme worldwide out of London, and in every country we are in people say, "Ah now, is that because you're British?"—brackets for laughter at some of our defence scandals over the past few years. Leaving that to one side, it connects very directly with the question of whether they think that the origin of this particular initiative comes from Britain or not. That is seen in a positive light. So I think that, for us, the answer is a very distinct "yes".

Phil Vernon: I would say it is not something for us. We are a British organisation. We work in 25 or 26 countries and there are about 210 of us. I think I am right in saying that we have 50 nationalities working in the organisation. Most people probably do not even see us as British, even though the headquarters are in London. In some circumstances, we prefer not to be seen as British. If I take the Lebanon example, personally I am not associated with that work but I am told by my colleagues that it is quite handy that our funding there is neither British nor American, and that to some extent we can be Norwegian in that context; it makes life a bit easier for us. We made a decision, which our board of trustees debated and agreed with, not to work in Afghanistan on the basis that, as a British NGO, we would be seen as part of the occupying forces. So sometimes we see ourselves as more British and sometimes as less so, but I cannot put my finger on what has accrued to Britain because of our work.

However, I would say that success creates legitimacy and that he or she who is successful gets associated with that success. Where we have made a positive difference and where people see that we are a British NGO, that cannot be bad for Britain, but we do not make a big deal of it.

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The Chairman: It does not help or hinder that we are a member of the European Union or part of the Commonwealth family? Do either of those issues come into your work at all?

Mark Pyman: Not for us.

Ian Birrell: The only thing I would add, if I may wear my cultural hat for a second rather than my polemicist hat, is that culture is obviously a huge part of British soft power, with the creative industries being so strong. Part of the reason for that now is the diverse nature of British society, and particularly London, but it is very, very hard to continue down that path when it is so hard for foreign performers outside Europe to come to Britain to work. You might be an African musician trying to get a visa to come to this country. If you are in, say, Mali, where a lot of them are at the moment, first you have to send your passport to Dakar. You might be summoned to an interview in Dakar and your passport and your details then go to Accra in Ghana. You can be without a passport for two or three weeks, and that stops you working. It costs more than it costs to get a visa for Schengen and, at the end of it, you might not get the visa anyway because of such paranoia about immigration issues.

Those things are not unique, and it makes it very, very hard for, say, a band of 10 or 15 people to come to Britain, where they are not going to earn much money given the state of the music industry. If we are trying to push our soft power, which I think we should, one of the things we should be looking at is how to make it easier for businesspeople, performers and people like that who want to come and work with British businesses and British artistic troupes to get visas. At the moment it is very, very hard, and that is going to have a long-term impact as these countries grow very fast and become richer. Actually, our artists need to get there. At the moment their artists are not coming here or they are going to play or tour in a Schengen area where they need only one visa and it costs less, or they will go to America. If I may, I should like to prompt the Committee to have a further look at the whole issue of visa requirements. I am not saying that you need to abandon them, but it needs to be made easier for people with quite prominent names in some of these industries to come and work here.

The Chairman: That is a common theme that has come up with many of our witnesses.

Q144 Lord Hodgson of Astley Abbotts: Can I raise one point? I understand what you are saying about particular groups, but equally you have been suggesting that what these countries now need is not the ability to build a road but a much more sophisticated emergence of middle-class, politicised individuals. Is Britain's soft power helped or hindered by the fact that we often permanently recruit people to come and serve here in our National Health Service? We recruit nurses. I am told that the NHS has recruited in Malawi and that there are 330 nurses for 12 million people in Malawi. Does that help? It helps us here—I understand that—but does it help our soft power?

Ian Birrell: I refer you to a report by Michael Clemens at the Center for Global Development. He looked at this issue and found that their staff coming here is actually very beneficial to the countries concerned and that the idea that we are stealing their staff is all a bit of a myth. What happens is that a lot of them go back from here much better trained. They send back remittances and it makes it a more attractive industry. The Philippines is of course the best example of this. But actually it is a complete myth and it merits further looking at.

Jonathan Glennie: Just on that last point, I agree that Michael Clemens's work has thrown up some interesting questions about this, but I think that it would be dangerous just to

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dismiss the whole brain-drain problem as a myth. It could well be a problem, although I do not know the answer.

Ian Birrell: The other point is that surely people have a right to go where they want. If people want to go somewhere, who are you to comment? Would you tell a doctor in Birmingham that they could not go and work in Glasgow because it might not be good for people in Birmingham? Surely people have a right to travel where they want and to work where they want.

Lord Hodgson of Astley Abbotts: I would say two things. First of all, do I have a right to say to a doctor from India on a visa, “At the end of it, you’re finished. You go back.”? All I am saying is that physical geography does apply some constraints on us. It is an acknowledged fact that England is now more densely populated than the Netherlands and that our population is going to increase by the equivalent of 14 cities the size of Manchester in the next 12 years. So that does something for us. I am not quite sure what it does for our soft power but there is a public policy issue there.

Ian Birrell: I am very happy to get into the immigration debate, where I suspect I have different views from you, but I do not think that that is necessarily what the Chairman wants.

Q145 The Chairman: I do not think that we want to get into that. Baroness Nicholson, you want to talk about how these gentlemen and their work comes up with the grimmer aspects of nation-building and development that we have seen in recent years.

Baroness Nicholson of Winterbourne: Yes. The problem with some of the answers that we have heard—and they have been very interesting indeed—is that there is no real commonality, except to say more or less that aid is not working other than in small doses and in very small elements, which runs counter to the view of multilateral aid and Britain’s enormous amount of aid going that way. What about the concept of aid used as capacity-building and institution-building? At the moment, I am really only interested in the reference to “official aid”. I do not really think that it is any of our business what private aid does. It is the official aid flows that I think we are really interested in. How can those be used in terms of Britain’s overall goals of capacity-building and institution-building in order to provide unstable nations that could be a danger to us with greater stability and perhaps more investment either in Britain or vice versa? How can overseas aid be used, if at all, for that?

Jonathan Glennie: Another part of your question concerned whether we should be including private aid in our purview. I wanted to reply to the point about our relations and to the question about capacity-building. I do not know what we mean by private aid but I think that NGOs should be included within the purview of this Committee. In so far as soft power relates to Britain’s brand and reputation, I think that the work of British NGOs is absolutely integral to that.

Q146 Baroness Nicholson of Winterbourne: I beg your pardon. Could I quickly interrupt on a point of accuracy? By private aid, I meant personal donations. Britain is the second highest personal donor on the globe, and that is money that people can give to be used in any way they want. I am talking about taxpayer money, whoever uses it. It can be used by NGOs. At the moment, a huge amount of it goes via DfID to Governments, where it is non-accountable. It cannot be traced and we do not know what happens to it, as reports from the House of Commons consistently tell us and as our own evidence shows. So it is the unaccountable, non-transferable use of official aid that is a major concern of mine—and, I am sure, of others as well. You have all identified to your satisfaction, although perhaps

possibly not Ian, that small aid can be used effectively for the direct reduction of poverty in small doses, but the vast amount of official aid is not used in that way any longer. It was until about 1997 and then there was a big shift in DfID. It now goes straight to Governments, which, as Transparency International tells us, are self-evidently corrupt. Also, a huge amount goes through sub-contracting, sub-contracting and sub-contracting to very large NGOs, which gives rise to comments such as, “We’ve got to get rid of money fast”, because perhaps the public want it.

Ian Birrell: You have sort of answered your own question there, have you not? The truth is that capacity-building is as much of a sham as a lot of the other aid lobby work, as we have seen so spectacularly in Afghanistan, where there are unbelievable amounts of money pouring out in suitcases to Dubai and helping the Dubai property boom. We see it in Pakistan, and yet DfID is ramping up the amount of money being given to Pakistan, despite the fact—I think it is correct to say—that not one politician bothers to pay taxes there. Only 2 million people do in a country of how ever many it is. I cannot remember how many. Is it 900 million? The truth is that capacity-building is just the latest fad within the aid world. When it is done through the multilateral bodies, all that happens is that they often tend, like the EU, to have administration levels which would not be accepted in Britain. If DfID gave money directly to aid groups, the administration costs would be higher. Of course, a lot of the EU money goes to places such as Turkey to help their accession, so that is another part of our aid budget. This capacity-building is just a complete sham. It goes through lots of hands to get there. Very little reaches the ground, and what does reach the ground is often just endless talking shops. When I was in Kenya, someone told me that they could live off the PDs they were being offered to go to a conference every single day, often in the 4 and 5-star hotels of Mombassa. It is capacity-building for the charities; it is not capacity-building for the countries.

Phil Vernon: I am very sceptical about huge dollops of money being given to Governments that are not yet accountable to their people—not only not accountable to these taxpayers here but not accountable to their people. Let me take a country such as Uganda, where I worked for five years several years ago now. If we the British taxpayer, through the Government, want Uganda to become more democratic, there is a serious logical flaw in the idea that we should provide the money. We know that the basic idea of democracy is that taxation and representation go together, so there is a serious flaw in that argument, and I am as sceptical as Ian is on that. I think that most of us would be. However, I can accept that there is a long-term view that this is part of a process in which things will get better and we have to accept that there is a leakage during the initial period. I am not saying I agree with it but I can accept that that view does exist. It is the World Bank’s view and it is probably DfID’s view, or it was.

In several places where I have worked I have seen another kind of capacity-building which is really inspiring. This is where money flows from the likes of DfID, the US Government and others and from private donations to local NGOs and local organisations providing services in education, health and economic development—you name it. The places that I am talking about are where I have worked and they are all in Africa. You do not really have a policy dialogue. Policy is about cutting the cake. It is about who is in government, who is going to spend the money and whether you have some money. So there is not really a dialogue about which is the best policy—this policy or that policy—to provide better education for our children.

My aspiration would be that that policy dialogue should come about, and I have seen it happen. How? I have seen NGOs which have been given funding of relatively small amounts

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of money by the likes of the UK. I have seen some of the leaders of those NGOs get deeply frustrated about the fact that the policy environment within which they are working stops them being able to achieve what they are trying to achieve, which is better health outcomes, better patient outcomes and so on. They have become politicised, and I have seen some of them go into public life as politicians. So I think that there is capacity-building of a different kind, although, again, it is much harder to plan for. By spreading some of the British taxpayers' money relatively thinly—because it is not a huge amount of money—through projects of national NGOs in some of the countries we are talking about, a certain number of those leaders become politicised and they get into policy debates and start to change things.

Baroness Nicholson of Winterbourne: But I thought that the purpose of DfID was to conquer poverty.

Phil Vernon: Well, I would go back Mark's point, with which I agree. I think that DfID's mandate is not completely correct and I think that you would find that most people who work for DfID, probably including the Ministers, would agree with that.

Jonathan Glennie: I would love to live in the world that I believe Ian inhabits, where everything is black and white, where capacity-building is a sham and where aid is a total disaster. I live in this really annoying world, where there is mixed evidence and the world is complex, where sometimes capacity-building has transformed a situation and sometimes it has been a complete sham and where sometimes budget support has really worked and sometimes it has not. I do not believe that there is evidence that suggests that budget support is less effective than other forms of aid going around the Government—I do not think that that evidence exists. Sometimes budget support works and sometimes it does not, but it is certainly more risky in one sense, in terms of fiduciary risk. As we are looking at aid effectiveness and value for money, I would like to share with this with the Committee. If you are just looking at fiduciary risk—the risk of money going astray—you can put down all the accountants you want, you can micromanage every penny and you can not devolve any power over decision-making. But all the evidence—30 or 40 years of research into this—suggests that when you do not allow aid recipients to take control of the money, you are less likely to achieve your objectives. We can minimise loss, but we are still wasting the money, even though I can account for every penny, because it does not achieve the development objectives. We have to take risks in aid and we have to take risks in relationships with Governments.

Q147 Baroness Nicholson of Winterbourne: Is there not a difference between control and accountability? To have transparency in expenditure is different from who controls it.

Jonathan Glennie: You have to focus on accountability as much as you can, but you cannot just have a total clampdown on who controls the money. The minute you allow other people to engage in that control, you also cede control of the accounting. That is what has happened in budget support.

Baroness Nicholson of Winterbourne: But control and accountability are not the same thing. You can give someone control and you can still put in full accountability in auditing.

Jonathan Glennie: The problem is when they do not account for it. Of course, all those things are in place. When we give money to Uganda, they are expected to account for every penny. It is not like giving; they are expected to account for it and to show how it has gone. What happens when they do not? That is the question. Does Britain just say, "Oh well, leave

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it then”? Or does it say, “Actually, aid is a risky business and life is complicated sometimes”? This sounds absolutely terrible and you are the ones who will have to relay it to the British public, not me. I understand that.

Baroness Nicholson of Winterbourne: So what percentage of official British aid from the taxpayer do you feel should be non-accountable and non-transparent?

Jonathan Glennie: I believe that something like 75% of private—

Baroness Nicholson of Winterbourne: No, official aid.

Jonathan Glennie: Just a minute—this is my analogy. I believe that something like 75% of private venture capital is wasted, but 25% makes a mega change. I think that we have to move slowly towards that approach within aid. It is really hard to do, because this is British taxpayers’ money. But unless we do that, we will not make it effective. If every penny in every pound has to be accounted for and has to be effective, it is not going to happen and it is an unfortunate way to approach very complicated problems. We have to accept waste—not waste, but we have to accept that things will be lost, just as venture capitalists accept that 75%—

Baroness Nicholson of Winterbourne: Why?

Jonathan Glennie: Because sometimes you invest in something risky that is really going to make a difference and it does not work. You have to allow aid programmers that leeway, saying, “Go and do what you think is right”. It may not work, but that is exactly what venture capitalists do.

Baroness Nicholson of Winterbourne: Is that not what is known as corruption by Transparency International?

Jonathan Glennie: No, not at all. I am talking about giving money to—

The Chairman: I think that we must move on, as we have two more questions. Do you want to just answer that, Mr Pyman?

Mark Pyman: No, I do not think that it is the same. Let us take the example of budget aid to Afghanistan, for example, leaving aside some of the horror stories. In the years after 2004, the Finance Ministry became quite competent. Could the UK give a bunch of money to the Afghan Finance Ministry and have them be very clear about what the money was doing and where it was going? At the time, it could. So was it non-accountable and non-transparent?

Baroness Nicholson of Winterbourne: Unaudited by outsiders?

Mark Pyman: That I do not remember, but I think you could perfectly well demand that it be audited by outsiders. The other example from my memory was when they were giving budget aid to the Liberians, where actually the way that they achieved accountability was to require dual signatures in each of the departments, as a way of being extremely clear as to how the money was being disbursed, department by department. So yes, some of it would still have been wasted—to take up the point from my left here—but actually I think that was a very strong example of accountability within giving on-budget aid. “It is possible” is the answer to your question.

Baroness Nicholson of Winterbourne: Your definition of waste, therefore—are you meaning that it would be misspent in terms of the particular objective of the programme? What I am searching for is accountability and auditing, which is something different. You can perfectly well spend the money the wrong way, if you like it, but it will still exactly validate precisely how everything has been spent. What is your definition of waste in that context?

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Mark Pyman: The first one that you were saying, so you spend it on an objective and it happens—

Baroness Nicholson of Winterbourne: But you can still account for it.

Mark Pyman: Absolutely, yes.

Q148 The Chairman: But you cannot pin it all down, as Mr Glennie was rightly telling us. Just one final question on this section: have any of you worked with the military?

Mark Pyman: Yes, I work a lot with the military.

The Chairman: We have had military witnesses before us saying that the military in modern forms of low-intensity warfare and post conflict have a role to play in all this. Is that your view?

Mark Pyman: Yes, it is. It is subject to all sorts of limitations, because they clearly cannot and should not be the lead player on this. Where would I start? Let me give you an example, and maybe it is a bad example in reply to your question, but let me try it anyway. We have been involved in Afghanistan for about five or six years. We have been making a noise since the beginning that says that corruption is not being taken seriously as an issue by almost anyone. The one body that has picked it up and said, “Actually, you were right and nobody is doing it properly, so we’ll see if we can do something about it”, is the military, and they actually put a string of measures in place to try to address corruption issues. They are not doing particularly well, inevitably, because it is 10 years after the conflict started, but they identified that they needed to be doing something in this area in order to give the intervention in Afghanistan any chance of success.

There is an example where the military came in rather reluctantly, but actually I think they have had rather a useful impact on this subject. I think if you are in an environment of post-conflict stabilisation, where usually the No. 1 issue is the police—who look an awful lot like the military in an awful lot of developing countries—then police and/or security force and/or military training to those police forces and security forces is absolutely one of the preconditions of stabilisation. That would be an example where I think it is completely essential.

The Chairman: That is useful. That is helpful. Mr Glennie?

Jonathan Glennie: When I was in Colombia, the British Government was providing human rights training to the Colombian military. I do not believe it was aid money as such; I think it probably came from the Foreign Office. Whether we were right or wrong, our line as British NGOs was that that should not happen—not because we thought that it was not being effective. It is a bit similar to what Ian was saying about Rwanda, I suppose. This military was indicted and implicated in very, very serious human rights abuses. That is why they were receiving human rights training. The question was whether this training was actually going to help, or whether it was providing a fig leaf and allowing them to say, “Look, we’re having human rights training” and then just continuing, which I think was our view at the time. That is the kind of conundrum that we had.

The Chairman: Yes. Quickly, Mr Vernon.

Phil Vernon: Very quickly, and bringing it back to the soft power question: I am slightly out of date, but I think what the British Armed Forces did in Sierra Leone—I do not mean the military intervention but the many years of security sector reform which we supported there through training and other capacity-building means—so far has been a success. I think in terms of maintaining some influence, if you are talking about soft power in that part of the

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world, it has been a good thing for the UK. If I compare that with the way that the United States has supported security sector reform in neighbouring Liberia, any objective observer would say we did a better job and our reputation would be better because of it. It was done in a very opaque way in quasi-military companies by the Americans, and it was done in a much more open way using the British armed services largely, and police as well, in Sierra Leone.

Q149 The Chairman: Finally, Lord Hodgson: just a final question on the other big aid givers—Japan, Saudi Arabia and so on.

Lord Hodgson of Astley Abbotts: We have touched on various other countries that have become major aid givers in our earlier conversations—China, Saudi Arabia, Qatar, Germany. What are the consequences for our foreign policy for our soft power reputation if they are to overtake us in quantum, approach or ability? Or should we just say, “Well, we’re a small country and that is the way it is”?

Ian Birrell: I think it is a sign of the changing world that countries like India, Brazil and Turkey are becoming such players in this world. I think it diminishes the impact of British aid. Obviously, hopefully, it might diminish it a little bit more. It is interesting. Again, there are lessons that can be learned, because of course Chinese aid, which is often very heavily criticised, is done in a very different way to the way western aid is given. They see it as a way of trying to raise countries out of poverty in the same way as they have brought so many people out of poverty at home, and they try and transplant some of the techniques there—sometimes successfully, sometimes very unsuccessfully. Often it is done through loans which have to be repaid out of natural resource earnings, so it is quite a different approach. I think in some ways it is often more successful, because it is much more sort of mechanical and trade-based, but obviously going alongside it are all sorts of environmental and political issues.

Ultimately it is surely about learning from them and accepting that that is the changing world. But it does also mean, of course, that the aid industry is growing bigger and bigger all the time. I think it makes it even more a dangerous and unaccountable force in these countries, because it is growing bigger all the time. That is a problem, whereby you have such a large force involved in so many aspects of society and public services, and yet which is so unaccountable to the people on the ground. That is a problem that is going to get worse rather than better because of all the extra players coming in.

Phil Vernon: Just very quickly, I would add two things. According to Nye’s definitions—perhaps it does not matter—I think the Chinese approach is probably not soft power. It is probably much more of a sort of bribery or purchasing approach to power application. Maybe it does not matter that much. I think the other thing is that, whatever people might say in criticism of British overseas development aid—and I have got plenty to say and have said plenty about it myself—it is relatively transparent. It is relatively easy for people to find out what we are trying to do and why we are trying to do it. It is not easy to find out how much is leaked, because it is too sensitive, I think, but it is pretty easy to find out what is going on and why it is going on. In some of the other countries you mentioned, Lord Hodgson, it is much, much harder to find out; it is much more opaque and in the background. Therefore it could be more risky for the people in the countries that we are talking about.

Jonathan Glennie: I agree with that last point. I also agree that there are many, many more development actors, including official actors, round the table. I believe that Kazakhstan is the latest country to set up an aid agency. There are many South American aid agencies. South

Africa has one. Yes, after years of attempting to harmonise some aid, it is now looking very fragmented, and that is going to be problematic in terms of accountability.

The answer to your question is that, with these arrivals of big new money—some of which is basically traditional aid, some of which is very different and looks more like trade and loans—undoubtedly Britain's soft power is going to be relatively diminished. You just have to go to any African country to see that. Once you no longer rely so much on a particular source of finance, the power of that source of finance is going to be diminished. To end on a very positive note about British aid, as I said at the beginning, its focus on civil rights and democracy—those kind of issues—has been, in my view, incredibly positive throughout the world. It is not the focus of some emerging players, and it would be a great loss if that pressure—British values in that sense—is lost to the world of development. As you know, I do not agree with our kind of slavish adherence to market fundamentalism—I think that has had an immensely denigrating impact on much of the world—but the focus on civil rights has been very positive.

Q150 Lord Forsyth of Drumlean: Chairman, just on this point: I do not want to be negative, but amongst the papers which were circulated to the Committee was an article which Mr Birrell wrote, I think in May of this year, about what was going on in Ethiopia and the Gambela region. Now, it is very difficult sitting on this Committee: here you are talking about civil rights. I do not know if you have read that article or you are aware of what has been going on—

Jonathan Glennie: I am, yes.

Lord Forsyth of Drumlean: —but in terms of soft power it seems to me to be desperately counterproductive. It is also very hard to reconcile what you are saying with events like this taking place. To Ethiopia, we have contributed I think £1.6 billion over the period of this Parliament in aid. How that reconciles with your last statement, I find quite difficult to understand.

Jonathan Glennie: It is actually quite easy. I do not know the details of the Ethiopia land displacement case; I have read about. I have read Ian's articles and I have read a number of other articles, and it is certainly a very serious case. It is quite possible, is it not, theoretically, that that is an exception to the rule—that generally speaking Britain is a very strong adherent of civil rights in a number of countries, and that in some cases it is not?

Ian Birrell: But do you really believe that?

Jonathan Glennie: I do, especially—and there is plenty of evidence—on the focus on women's rights. Britain and others, and the west in general, have been part of a transformation in the way that women and girls are viewed around the world. That is partly to do with this aid. It is partly to do with a whole range of other issues. Let us call it the international development community, which probably sounds terrible to some people—the UN, all of those attempts to spread equality and those kind of values. There is lots of evidence to demonstrate that that has been incredibly impressive.

On Ethiopia, yes, there is absolutely no doubt that there are civil rights and human rights abuses—as there are, as I said earlier, in almost all countries in the world. I would like to hear what people think we should be doing with all the other countries in the world where these things happen. Do we just cut off ties? I do not believe in that. I believe actually that engagement can also work sometimes. Finally, in countries like Ethiopia and Rwanda, if you look at the actual economic and social progress that those countries have made, it has been absolutely phenomenal in the last 20 years—absolutely phenomenal. It has transformed the

lives of millions of women and children especially. That is the plus side. To end this debate, let us just have that as well, not just the tyrannical human rights abuse, which is part of the story but possibly quite exaggerated.

Q151 The Chairman: That is fair enough.

Mark Pyman: Can I just come back to the question from Lord Hodgson? I think it is noticeable that for three of the four countries you mentioned—China, Saudi and Qatar—in terms of aid influence overseas, this is both about soft power and about hard power. It is not just about projecting their influence; it is also about military and security strength for those countries overseas. To me that brings it a little bit back to where you started that discussion, which is that soft power is only partly about aid, and it is partly about military and geopolitical influence. So, to take the example of China and Sri Lanka, they have given all sorts of aid to build ports. The purpose is nothing to do with helping the Sri Lankans with their ports; it is so that the Chinese have got a deep-water base at the bottom of India for the future. With the big donor countries, to me it is soft power but, actually in many of these cases, there is a military and security purpose behind it.

On the second comment—when you were saying, “What should we do with them?”—it is just a competition. That is the way I think of it. It is competing for influence and some of the countries that we work in work with, say, the Saudis and say, “The Saudis are great. They give us money and ask no questions”. Okay, but five years later they come back and say, “But we like you, because actually you give us an answer that we can use and is useful”. To me, the soft power bit here with examples of those countries takes you very quickly back to whether there is a hard power element behind it, of which the soft power is merely the front end of it.

The Chairman: I am going to halt it there, because we have kept you a very long time. It has been fascinating, and we could go on for much longer. You have stated your various cases with great articulacy, and we all know what the arguments and the counterarguments are a little more clearly than we did a couple of hours ago. So can I say thank you very much, Mr Vernon, Mr Glennie, Mr Birrell and Mr Pyman? We are very grateful to you for coming to us on this warm afternoon, and thank you again.

David Blackie – Written evidence

Soft Power: a comment

1.0 What *not* to do

I am indebted to the media commentator Kaila Colbin for this recent example of how a government committee considering how to take propaganda advantage of digital media – in this case in Israel – came to exactly the wrong conclusion. Referring in her article (in “Online Spin” 23.08.13) to the much quoted post war publication “How To Win Friends And Influence People” by Dale Carnegie, she writes:

“... it is also a book that the government of Israel has clearly neglected to read. Last week, the prime minister’s office issued a statement saying that students would be paid to say nice things about Israel online, without having to identify themselves as having any affiliation with the government.

“This unbelievably shortsighted move is almost comical in its irony. The net result is that the government has put *any* nice comment made about Israel under a cloud of suspicion, thereby doing themselves out of the benefit of having sincere supporters speak up on their behalf.

The point here is that media, and the thousands of social networks, blogs, video channels, forums etc. that most people dip into on a regular or daily basis, are highly influential, but not controllable. Just as we as individuals need to focus on what we are rather than worry about our reputations, so countries seeking influence over others need to focus above all on what they do, and not concern themselves with the message – and let the media look after themselves.

2.0 Power?

“Soft power” is largely defined by what it is not: power which is not hard, not military. But if we seek influence, whether as a nation or as a group or as individuals, we may do well to avoid use of the term “power”. We can, for example, all accept that we are influenced by friends and books and so on, but a suggestion that they therefore have power over us is a likely stimulus for resistance and an understandably negative response. Any individual or group or nation that crows about its soft power – such as Britain is I suspect in danger of doing - may expect short shrift from those it seeks to influence; such claims to power are instinctively rejected and, in those places where they matter, are destined to be counter-productive. Not by Nye perhaps, but by many of those who favour the term, soft power is seen as being incentivised and even coercive, and therefore a relative of hard power. But in today’s joined up world that position is weakened, and disinterested focus on quality outcomes, and discussion and analysis of this in the press, in the blogosphere and other electronic media, is more likely to generate favourable influence, politically and economically, than transparent (and probably crude) incentives.

3.0 Appropriate Action and the role of the British Council

The positive influence which is the goal of almost all of us is a byproduct of friendship, commitment, integrity, expertise and, above all, example. Where programmes are undertaken in the name of the country, whether at home or abroad, we need as a nation to be sure that we provide the best, and do the job well. Such desirable outcomes are rarely to be achieved, in my submission, by the British Council. By attaching an increasingly overtly commercial organisation, nowadays owning multiple overseas companies, to our embassies and high commissions so giving it unique status and advantage, and supporting it with taxpayers' money, by referring to this organisation at once as "part of the FCO family" and as a charity, Britain gives off a negative message, which is that this special case, and privilege for the few, is more important than the integrity and status of genuine commercial enterprise or genuine charities or genuine arms of government. The organisation is not trusted, nor indeed trustworthy, being neither fish nor fowl. Commerce, charity and government all play crucial roles in winning influence abroad, and their influence is strengthened by maintaining institutional integrity. Their influence is correspondingly weakened when those concepts are fudged, a fudge that is embodied in the British Council.

4.0 Doing good, doing it well

The things that Britain with all its resources can do as a nation to win friends and influence people are infinite. The single thing that we can do best and most easily and with the most beneficial results for us as a nation, now and in the future, is **provide education and training resources**. We do this through English language teaching at home and abroad, by offering formal programmes of qualifications in our schools, colleges and universities, through scholarships, through offerings of electronic libraries, MOOCS and specialist online courses, through the establishment of offshore branches of our institutions, and so on. For everybody's sake, however, we should not allow a money-driven state-sponsored competitor to step in almost anywhere and distort the market to the detriment of genuine British enterprise and of the quality of provision to those whose good will we seek.

David Blackie
Director
International Education Connect Ltd

August 2013

BP – Written evidence

Introduction

1. BP is one of the world's leading international oil and gas companies. Through our work we provide customers with fuel for transportation, energy for heat and light, lubricants to keep engines moving, and the petrochemicals products used to make everyday items as diverse as paints, clothes and packaging. BP has been based in the UK for over 100 years and we intend to be here for a long time to come. We are continuing to invest in our businesses so we can provide the energy the country needs.
2. The majority of international companies involved in foreign investments welcome the support of their home government in the business they do abroad. This is not unusual – Exxon and Chevron look to the support of the US Government, Total to the French Government, Shell to the Dutch Government (as well as the UK), etc. BP therefore has a particular interest in the way the UK Government supports UK businesses abroad and welcomes a number of recent reforms that have been introduced to improve the UK's ability to trade.

UK Trade & Investment (UKTI)

3. Since 2011 a Strategic Relations team has been established within UKTI to work closely with large UK-based companies. Aside from helping us with queries relating to UKTI per se, we have found this team to be extremely effective in helping to connect the different Whitehall departments that have an interest in BP's activities. We are very supportive of this Strategic Relationship Management initiative.
4. The Prime Minister's appointment of cross-party Trade Envoys is also welcome. This has given more high-level attention to key export and investment markets. The number of high-level trade delegations has been increased as a result and our country offices in these markets have reported favourably on this increased activity.
5. The organisation of trade delegations accompanying VVIP trips has also been improved. The briefings before and after the trade delegation led by the Prime Minister to India were very useful. We also recognise the benefits that can extend to large British investors such as ourselves from encouraging more small and medium-sized enterprises (SMEs) to participate on such trade delegations, should it lead them to joining BP in investing in the substantial opportunities which exist in many parts of the world.
6. We also support the work that UKTI is doing in reviewing the operation of British business councils in 21 key markets. We have met with UKTI to discuss our experience of business councils in these markets. We recognise that they can play an important role in helping SMEs to set up business in new markets while also demonstrating the UK's, and British companies', commitment to the wider communities in which they are doing business.

7. In sub-Saharan Africa, we welcome the launch of the high-level Prosperity Partnerships, which will see UKTI, the Foreign & Commonwealth Office (FCO) and the Department for International Development (DFID) working much more closely together in Angola, Cote d'Ivoire, Ghana, Mozambique and Tanzania. While time will be needed to assess the impact of these Partnerships, we would hope that successful innovations, for the benefit of both partner countries and the UK, might be exported to other markets too.

Foreign & Commonwealth Office (FCO)

8. Beyond UKTI, we have been impressed by the way the Prosperity Directorate within the FCO has offered greater assurance to companies that the FCO in London and its diplomatic posts are working extremely closely to resolve commercial issues facing UK companies around the world. FCO officials are clearly well-connected to their counterparts in departments such as DECC, BIS and HMT. The advice offered by diplomatic posts around the world remains excellent; as is the support offered by the country desks in the FCO in London.

Department for International Development (DFID)

9. In March 2013, BP's CEO Bob Dudley co-signed a letter to the Financial Times in support of the Government's decision to continue to honour its commitments to overseas aid. The UK's aid has contributed to improving education, health, sanitation and other public services in many of the world's poorest countries. This investment in human capital is fundamental for a functioning economy. There is much private companies can learn from the approach taken by DFID; equally companies themselves have experiences of working in developing markets, which will be of interest to DFID. Therefore we welcome the appointment of private sector advisers within DFID which has seen a greater mutual understanding develop of both the work of the department and of that of UK companies in DFID's target countries. Shared experience of what works and what doesn't can only be helpful in promoting sustainable development as both companies and DFID develop programmes in support of local communities.

November 2013

British Academy – Written evidence

1. The British Academy, the national academy for the social sciences and humanities, welcomes the opportunity to submit evidence to the House of Lords Select Committee on Soft Power and the UK's Influence.
2. In this submission, the British Academy's contribution is twofold. Firstly, in representing the Humanities and Social Sciences disciplines, it draws on a broad research base to provide intellectual clarity and to help focus and reframe the debate. Secondly, it provides a brief account of the centrality of our national higher education and research to the UK's soft power resources.
3. Beyond this brief submission, the British Academy is currently undertaking a project on 'soft power' and is due to publish a report at the end of the year as a contribution to current debates.

What is the British Academy's understanding of soft power?

4. Soft power is analytically difficult to distinguish from influence, which has many manifestations. In particular it can be argued that diplomacy, and foreign policy more generally (as opposed to coercion and deterrence), has always been about trying to 'mobilise' soft power.
5. Our analysis starts from the proposition that soft power exists, but is not always useable by governments. Indeed, while it is questionable whether it can be mobilised in any meaningful sense, even more importantly, it is questionable whether it actually needs to be 'mobilised'.
6. We believe that maintaining a soft power position independent of government is an advantage to government precisely because it allows the myriad elements of civil society and national culture to do their work without any attempt to 'coordinate' or manage them unnecessarily. Central to this view of soft power is its primary location in the domestic sphere: soft power begins at home.
7. Rather than being in simple opposition to hard power, soft power exists in a complex and changing relationship to it. Traditional instruments of hard power can be deployed successfully in a soft power context. Indeed, it is notable that in recent years the UK military has demonstrated that an important part of its future role involves elements of soft power.

Soft power and diplomacy

8. The UK can increase its influence by pursuing its objectives via a wide range of international mechanisms as well as a broad range of ever accelerating and deepening

horizontal networks powered in part by the revolution in information technology and social media. This places a premium on understanding networks, and on accepting that individuals, networks, countries and international organisations are subject to many other pulls than the straightforward ones of national feeling and loyalty. The need for significant research in this area is clear and pressing.

9. There is a volatile quality to soft power assets which relates to the fact that soft power's reliance on reputation means that it can easily be undermined by an action in another sphere (most notably using hard power) which causes serious antagonism or resentment to third parties. Nevertheless, it is also important to recognise that soft power assets can serve to counter other unwelcome negative impressions. The UK is now a country of multiple diasporas, which in the opportunities and challenges this has brought illustrates the double-sided coin of the UK's history and influence in the world. Creative nurturing and harnessing of such challenges can turn possible negatives into positives in the long-term, and the government has an important role in supporting this process.

Aspects of soft power – looking longer term

10. As has already been indicated, it is critical to understand that the UK's soft power and influence exist beyond the narrow realm of our foreign policy. In the Academy's view, a clear distinction should be drawn between the long- and short-term soft power benefits of the UK's cultural and intellectual appeal, while also acknowledging that these are inherently difficult to measure. In the short-term, there are important commercial benefits to be gained from soft power assets such as the international attractiveness of UK education.
11. In the medium and longer term, other benefits can be enjoyed. First, the projection of Britain abroad through a combination of cultural diplomacy and the independent activities of citizens can serve to improve the country's reputation and attractiveness to all kinds of potential partners, whether inside multilateral organisations like the EU, UN and the Commonwealth, or in terms of commercial investment. But that also depends on the kinds of actions taken by private citizens. For example, Euroscepticism has led to much disillusion elsewhere in the EU, while both Paris and Washington have objected in the past to what they saw as the growth of "Londistan". Second, the promotion of global public goods such as human rights or action to deal with climate change has the potential to place Britain in a leadership role, so long as it is not undermined by the simultaneous pursuit of state interests, leading to the perception of double standards.
12. The corollary of the importance of the longer term is that governments need to make investments in critical areas such as the BBC, higher education and the arts, and then to hold their nerve when payoffs are not immediately visible. If this approach is taken, the benefits can be considerable for relatively small sums invested. The more challenging aspect of this for government is that the most important benefits gained are often the most intangible and difficult to measure, although certain institutions, such as

outstanding universities, the BBC and the British Council, have a proven track record in this respect.

Learning from others: how much should governments do?

13. Once soft power is seen as having no necessary relationship with foreign policy, it is easier to understand American cultural success in influencing (and selling) to millions around the world despite widespread hostility to some of its foreign policy actions. The separation between the deployment of its cultural assets and its government often enables American cultural influence to prevail however public opinion may view its government's foreign policy at any particular time. Meanwhile China's government has been criticised as having too visible a hand in its recent cultural and cooperative initiatives. Nevertheless the growing popularity of Confucius Institutes worldwide demonstrates that the issue is complex, rather than a simple negative relationship between government intervention and popular appeal. The provision of basic funding at arm's length and the conduct of a sophisticated diplomacy (including public diplomacy) are crucial in enabling medium-sized countries, such as Britain or France, to present themselves well abroad, with concomitant benefits in trade, tourism, and political goodwill. Moreover, there is still plenty of scope for public diplomacy to celebrate and disseminate the products of the UK's cultural, educational, social and legal success.

What does soft power mean for the British Academy's work?

14. The British Academy's work in representing and promoting academic excellence at home and overseas can be considered a constituent part of the UK's national image and influence. Almost all areas of the Academy's remit, from law and languages to archaeology and area studies, are relevant to soft power, in that they throw light on the ways in which human beings influence each other while also generating resources that can benefit the United Kingdom as a whole. The UK's leading role in many of these disciplines is a further benefit in terms of both its capacity to attract scholars and students from all over the world and the vigour of the UK academic and research community, which provides tangible soft power gains (such as revenues from international students) but also more intangible benefits to the image of the UK as an important global intellectual hub. The Academy has maintained longstanding support for a small network of research institutes overseas.⁴⁷ The depths of collaborations that these centres foster in a range of disciplines makes a significant contribution to the UK's soft power in these countries.

⁴⁷ Details of these institutes are available at: <http://www.britac.ac.uk/intl/index.cfm>

What is the role played by UK universities and research institutions in contributing to the UK's soft power? Does the global influence of UK universities and research institutions face any threats?

15. An emphasis on the means of soft power will have implications for the kind of role that the UK seeks (or is able) to fulfil. Commentators on soft power have placed emphasis on the country's cultural resources: its intellectual and artistic heritage, the strength of its universities, and the attractions of its sport and music scene. The cultural aspects of soft power can benefit the UK in the long term through perceptions of excellence, creativity and distinctiveness, leading to admiration and to some degree a desire to emulate. In the professions there may also be opportunities for disseminating best practices and standards, as for example in the legal profession.
16. In particular, the humanities and social sciences provide the high-level skills and ground-breaking research essential to an economy driven by ideas and knowledge, to social and cultural well-being, and to the UK's place and reputation in the world. UK research, not least in the humanities and social sciences, is internationally recognised as of exceptionally high quality. But other countries are investing heavily in research and related human capital and becoming more competitive. It is imperative to maintain an enabling environment in the UK with, for example, sustained funding and measures to facilitate mobility and interaction.
17. Research is a global undertaking and strong links with researchers around the world are essential to maintain the UK's internationally renowned research base, as well as promoting lasting ties of real economic, political and cultural value. More generally, the world is changing with extraordinary rapidity, and countries of major significance to the UK – economically, politically and culturally – are assuming new positions of influence. The insights of researchers in the humanities and social sciences can help us understand these changes and how best to respond to them.

What impact do languages have on soft power and diplomacy?

18. The Academy welcomes the Committee's acknowledgement of language learning as an aspect of soft power. Together with geographical expertise, foreign language skills have long been regarded as the hallmarks of the highly esteemed British diplomatic service. The ability to speak a foreign language is a key element in the formation of relationships, mutual cultural understanding, trust and the networks that facilitate interaction and cooperation across borders and societies. In a radically different landscape of international engagement that confronts Britain today – with the rise of China, Brazil, Russia and India as economic powers and the increase in ethnic and regional conflicts – language skills can no longer be regarded as an optional adjunct to a well-equipped society and government. Rather, they are a key indicator of how prepared we are to operate within the fast changing landscape of global engagement.

19. Nevertheless, the British Academy has been concerned with the de-prioritisation of languages within government. Prompted by recent reports of declining language capacity within certain areas of government, the Academy launched an inquiry entitled *Lost for Words: the need for languages in UK diplomacy and security*. The inquiry aims to serve as a first step towards reviewing how language capacity within the UK affects the pursuit of public policy objectives relating to international engagement and security. A report deriving from the inquiry will be published in November 2013.

What more can be done to encourage British people to learn foreign languages and acquire deeper understanding of foreign cultures?

20. The Academy recognises the importance of the English language and English-language publications in advancing the UK's influence abroad. The UK's teaching, academic and research base both contributes to, and benefits from, the current predominance of the English language. What we must not do is assume that the global success of English immunises against the need for knowledge of other languages.
21. The value of languages for the individual, as well as society at large, has been well documented over a number of years. There is strong evidence that the UK is suffering from a growing deficit in foreign language skills at a time when globally, the demand is expanding. The number of students studying languages in school and at university has declined considerably, and many of the languages forecast to be of increasing importance – for trade, security and diplomacy – are not provided for within the UK's education system.⁴⁸ The Academy has been at the forefront of promoting excellence in the study of languages for over a century, and in 2011 launched a programme to address the skills deficit in language learning in UK education and research. Through its language programme, the Academy is funding research and relevant initiatives, and seeking to influence policy in these areas.

Summary

22. The British Academy recommends that a distinction should be drawn between the short, medium and long-term benefits of the UK's rich cultural and intellectual assets. Greater recognition needs to be given both to the way in which these assets contribute to the UK's influence and reputation in the world, and also to the importance of language learning. The Academy welcomes further engagement with the Committee on this area of inquiry and looks forward to contributing to the discussion and debate, including through our publications later this year.

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⁴⁸ These issues are outlined further in recent British Academy publications including *Languages: State of the Nation Report* (February 2013); *Talk the Talk* (June 2013); *Postgraduate Funding: the Neglected Dimension* (July 2012). Publications and details available at: www.britac.ac.uk

British Council – Written evidence

What is soft power and why is it important?

A country's soft power is its ability to make friends and influence people not through military might, but through its most attractive assets, notably culture, education, language and values. In short, it's the things that make people love a country rather than fear it, things that are often the products of its people, its culture, its values, its brands and education institutions.

The UK continues to seek and need a major role and profile in the modern world. As a result of history, language, trade and culture, it is one of the most internationally connected countries on earth. It thrives on those connections. They bring investors, entrepreneurs, researchers and innovators to the UK. Our prosperity and security depends on being trusted by other peoples, on our ability to continue to attract the brightest and best to choose the UK over our competitors.

The changing nature of influence in the world and the growing importance of 'Soft Power'

As Lord Howell recently said, there is a growing feeling that the entire international landscape is being transformed by hyperconnectivity, social media, and the very rapid rise of direct people-to-people social and cultural exchange - not mediated by states. This is beginning to alter the entire fabric of relations between nations.

The rise of people-to-people influence and the resultant diffusion of power away from Governments requires recognition that persuasion, influence, trust and what other people think of the UK matter to our future. In an increasingly competitive, more volatile world we will need to go beyond the traditional international relations armoury of force, diplomacy and aid, and focus on how we can attract people to the UK.

The UK is a 'soft power' superpower

As Foreign Secretary William Hague recently wrote "the UK remains a modern day cultural superpower. The UK is fortunate to have some immense assets and advantages in this area: the English language, connecting us to billions of people; links to almost every other nation 2 on earth through our history and diverse society; skills in financial services, engineering, science and technology that are second to none; and fine institutions like the British Council, BBC World Service and our historic universities which are beacons for democratic values around the world. Staying competitive in 'soft power' for decades to come means nurturing these assets and valuing them as much as our military, economic and diplomatic advantages. Government must play a full part in helping to liberate that ingenuity and talent across our national life, and to champion it all over the world."

Independent cultural bodies are the UK's best 'Soft Power' assets

The UK should continue to support cultural exchange through independent, autonomous agencies and brands like the British Council, BBC, Premier League, universities and the UK's theatres, galleries and museums. The trust that these bodies and the artists, educators,

sportspeople, curators and broadcasters they support generate for the UK builds the relationships and environment that attracts people and businesses to choose the UK over our competitors. Research by DEMOS suggests direct government involvement invites suspicion and hostility; it is people-to-people contact and reciprocity that build trust.

The UK does not wholly publically-fund or ‘state control’ cultural bodies and universities, all the UK’s best cultural bodies and universities earn income, innovate, partner and are entrepreneurial in pursuit of their mission. However, public funding remains critical to their continued success, providing the space to innovate, take creative risks and invest long term in a way that would not be possible in a purely commercial model. They are also more aligned with UK government and national policy than in countries where there is no connection. As a result of government investment, agencies like the British Council are active in strategically important places in Sub-Saharan Africa where they simply would not be able to operate were they dependent only on self-generated income. The UK’s soft power success is a direct result of this ‘mixed economy’ model.

The British Council is among the world’s most effective international cultural bodies

The British Council is aligned with the FCO through its NDPB status and Board-level representation. The British Council has retained the same mission for which it was founded in 1934 but has transformed its economic model. Government grant now represents less than 20% of the British Council’s turnover; entrepreneurship delivers the rest through ‘paid for’, partnerships and work under contract.

The British Council builds trust for the UK by sharing English, the Arts, education and support to stronger societies through work with state and public education systems and support for governance and international development. The Foreign Office grant to the British Council in 2013-14 is £162m out of total projected income of £833m. By comparison last year the German government spent over €588m towards the same broad objectives.

Directly connected through governance to the UK’s long term foreign policy interests the British Council creates the context – millions of English speakers, UK-educated world leaders, global expertise and ‘thought leadership’; and millions of people and thousands of institutions connected to the UK - which support and inform the UK’s knowledge, understanding and influence in the world.

The British Council delivers the UK’s national interest, by being aligned, at arm’s length, expert, entrepreneurial and above all for and from the people of the UK.

The British Council’s contribution to the UK’s soft power

We share the UK’s great cultural assets: the English language, arts and education with the world. The critical element in the British Council’s approach is the focus on mutuality. Soft power is not just showcasing the UK’s assets; it is sharing those assets and supporting the reciprocal exchange of ideas and culture. Through this work the British Council:

- builds trust in the people and institutions of the UK and supports prosperity and security around the world
- encourages people to visit, study in, and do business with the UK

- attracts people who really matter to all our futures to visit and engage with the UK

The British Council has offices in over 100 countries and has been building long-term trust, people-to-people connections and international opportunities for the UK for more than 75 years. We work in:

- Brazil, China, India, Indonesia, Mexico, Turkey and other high growth countries that offer so much potential for the UK's businesses and institutions
- fragile and post-conflict states like Libya, South Sudan, Iraq and Afghanistan that are strategically key to the UK's security
- marginalised environments like Burma and Zimbabwe where we build capacity and international connections for those who want access to the wider world
- Europe, the USA, Japan, the Commonwealth where we work to maintain, renew and enrich traditional ties

A 24/7 networked world means that huge numbers of important international connections take place outside traditional state-to-state relations. People trust people more than they trust governments, so connections between people often make a more significant contribution to soft power than government-led activities.

The British Council's operational independence from the UK Government enables it to connect UK teachers, learners, artists, sportspeople, scientists and policy makers with their counterparts around the world, building trust between people, whatever the state of relations between governments. That trust creates opportunities for UK businesses, artists, and cultural and educational institutions to engage with new opportunities and global markets.

Hard and/or soft power? And what about Aid?

The UK's international reputation rests on a spectrum of interventions. At one end there is development and aid where the UK is recognised as leading the world and at the other is the UK's hard power – its ability to project military force, enforce sanctions and that prized seat on the Security Council. In between there is soft power, diplomacy, trade and cultural relations. This spectrum can be simplified as: giving - attracting - forcing.

The UK has traditional strengths across this spectrum with leading international aid charities, global agencies like the British Council and world renowned cultural and educational institutions, and widely respected defence assets. The ability to engage across the whole spectrum gives the UK very significant advantages in international relations, we are able to engage with other countries on multiple levels at the same time – for example in Gaddafi era Libya where Government policy was towards the forcing end of the spectrum, the British Council maintained people-to-people contact so when change came to the country the UK had access to valuable, established networks and could respond quickly and effectively.

The spectrum is not rigidly divided. It is easy to identify the extremes but the space occupied by soft power is much harder to delineate. Trust and attractiveness can be built through aid projects that focus on good governance, education reform and the sharing of the UK's values, for example through our capacity building work in the justice system in Pakistan. It

can, albeit rarely, be built through military intervention. Sierra Leone would be an example of how the UK's global reputation was enhanced by the effective deployment of force. It is the capacity to work across the spectrum that allows the UK to punch well above its weight internationally. However, there is no room for complacency.

The “global race”

Other countries are playing catch up to the UK on international aid spending, are spending more than the UK on hard power assets, and investing heavily in their soft power offer. There is global competition to topple the UK from its number one position in the soft power league table. Much has been made of the Chinese government's ambitions for its global network of Confucius Institutes and international English language news services but it is not the only rapidly emerging soft power. Brazil, Turkey, the Gulf States, South Korea and others are all focussing on the potential of soft power to increase their global influence; to enhance their international reputation; and to attract international investors, students and tourists.

The UK has the best assets in the world, making it the most attractive place on earth. That is why London is France's sixth city. However, it cannot afford to rest on its laurels if it desires to retain its crown. As new entrants come into the soft power market, the UK must continue to invest and innovate to continue to benefit from the inward investment and prestige its soft power brings to the country. There are three critical challenges the UK's position:

1. The key to the UK's success in soft power is the focus on reciprocity – the sharing of our culture, language and values. The UK's greatest soft power weakness is the level of language skills amongst the UK population. While it has been hugely advantageous to the UK that one in four people around the world speak English that still leaves three in every four people that do not, people we are simply not talking to. Speaking the local language opens doors for people, businesses and institutions looking to work in new markets. It builds the trust that is so crucial in attracting and influencing. The UK needs to invest in developing young people's skills in modern languages like Arabic, Russian and Chinese to be competitive in the 21st century.
2. The UK's arts, cultural and educational sectors are some of the most successful in the world. Their great strength has been their ability to combine public, private and philanthropic income in a 'mixed economy' funding model at arm's length from government. It is vital that the UK maintains this balance in future to continue to harness the innovation and dynamism of the private sector; to provide the space to take creative risks and invest for the long term; and to enable agencies to continue to operate in places the market cannot reach.
3. The recent reforms to UK visa policy have caused widespread concern around the world, damaging the UK's reputation in countries like India and Brazil that are critical to our future success. In seeking to manage net migration, it is vital that the unintended consequence of policy is not that those who the UK most needs to influence and attract are prevented from visiting, investing or studying in the UK.

The UK is uniquely well placed in terms of soft power. It has world renowned cultural assets and internationally respected institutions like the BBC and the British Council but continued success in an ever more crowded market is not guaranteed. Government investment and

British Council – Written evidence

policy – in education, business, culture, foreign and defence affairs, and immigration - remain vital to ensuring the UK remains the most attractive place on earth.

July 2013

British Council, BBC World Service and British Museum – Oral evidence (QQ 63-92)

[Transcript to be found under the BBC World Service](#)

British Council – Supplementary written evidence

About the British Council

The British Council creates international opportunities for the people of the UK and other countries and builds trust between them worldwide. We are on the ground in over 100 countries. We connect the UK with people around the world, sharing the UK's most attractive assets: the English language, the arts, education and our ways of living and organising society. We have over 75 years' experience as the UK's leading soft power agency.

I Summary

1.1 The UK has emerged as the world leader in soft power, overtaking the Hollywood fuelled might of the United States and leaving other European competitors trailing. Yet even as we celebrate coming first in Monocle's 2012 soft power league table, the UK's supremacy may already be a thing of the past. China, Turkey, Brazil, Russia, South Korea and other leading economies are all developing soft power strategies and investing in cultural institutes, scholarship programmes and broadcasting. Influence and attraction, how a country wins the support and good will of other nations, are becoming increasingly important as the power structures of the 20th century give way to an increasingly volatile present where that influence and attraction is increasingly dependent on people rather than governments. Trust and reputation are critical to international success and prosperity.

1.2 The UK is a soft power superpower with unique assets - in the English language, our arts and culture and our education and ways of living - that are immensely attractive to people around the world. How we have deployed these assets has been critical to our success to date but we cannot take that success for granted and must learn and adapt to an ever changing world.

2 The spectrum of international engagements

Giving		Attracting			Forcing
Aid	English	Relationship building	Cultural diplomacy	Messaging	Military Action
Development	Education	Cultural exchange	Showcasing	Diplomacy	Sanctions
	Skills	Convening & networking	Broadcasting	Advocacy	Coercion
	Qualifications	Partnerships & links	Trade promotion	Campaigns	
	International experiences	Trade			

2.1 The UK is one of a handful of international players to have the capacity to project power in all its forms anywhere. It has unique strengths in the soft and hard power stakes, as well as being a world leader in international development. The UK's physical presence globally

through the diplomatic network, DfID and the MoD, agencies like the British Council and UKTI and international NGOs and businesses gives the UK a powerful platform for influencing and engaging internationally. The UK is able to work across the spectrum of international interventions, from the giving end of aid and development assistance through soft power to the forcing end of military action. Soft power is an essential plank of the UK's international relations strategy, complementary to our military forces and development assistance.

2.2 The spectrum is not rigidly divided. It is easy to identify the extremes but the space occupied by soft power is much harder to delineate. Trust and attractiveness can be built through aid projects that focus on good governance, education reform and the sharing of the UK's values. The capacity to work across the spectrum strengthens the UK's hand, each element reinforcing the potential impact of the other. At its most successful, the UK's foreign policy engages across the spectrum in multiple ways simultaneously. Sierra Leone might be a textbook example of what can be achieved by the co-ordinated engagement across the spectrum with the UK's military power needed to create the environment where development assistance, education reform, capacity building and reconciliation work could be taken forward. The world is though a complicated place, often the UK will find itself engaging in multiple, potentially contradictory interactions across the spectrum of international relations. This may be a deliberate carrot and stick approach to a country or simply reflect the multitude of contacts between peoples in a hyper-connected age.

2.3 Soft power is not a replacement for hard power; those looking to soft power to make up for the impact of defence cuts on the UK's influence internationally are being unrealistic. No one wants to be in the position where the answer is a naval deployment or boots on the ground but hard power remains vital to our international security in an uncertain, volatile world. While the recent Parliamentary vote on Syria reflects the fact that the UK's appetite for "foreign adventures" has been diminished by our experiences in Afghanistan and Iraq, British military interventions in the former Yugoslavia and Sierra Leone have delivered positive outcomes that soft power or development assistance could not possibly have achieved. Soft power sits alongside hard power and development assistance and has a key role to play in fragile and post-conflict states looking to rebuild and reconcile, as has been the experience in Kosovo for example, but it cannot force peace on warring peoples.

2.4 The UK draws international clout from its status as a Permanent Member of the Security Council and its membership of other international organisations including the EU and Commonwealth. The EU and the Commonwealth in particular are bodies with considerable soft power strengths. Both are reliant on soft power levers to exert influence in international affairs. Their strength comes from the focus on shared human values of decency, respect, tolerance and equality, they stand up for the rule of law and human rights and as communities with collective decision making, they are less easily portrayed as pursuing selfish strategic aims than individual nation states.

2.5 Soft power is a powerful tool for governments looking to improve relations and keep channels open when international tensions arise. The Security Council maybe deadlocked or the UK marginalised at the EU Summit, but through soft power the UK can bring nuance, depth and renewal to government relations and continue to build trust despite political difficulties. While relations with Russia can be difficult – the British Council was forced to close our offices in St Petersburg and Ekaterinberg in 2008 following diplomatic disputes between the British and Russian Governments – the Russian people remain interested and

open to engagement with their British counterparts. The UK-Russia Year of Culture 2014 will capitalise on that interest and will present multiple opportunities for the British Government to engage with Russian ministers and officials.

2.6 The UK's capacity to work across the spectrum distinguishes it from much of the rest of the world. It gives credibility, generates respect - and a little envy - and comes with a responsibility to be activist, outward looking and engaged in the challenges of the day.

3 The meaning and importance of soft power

3.1 A country's soft power is its ability to make friends and influence people not through military might, but through its most attractive assets, notably culture, education, language and values. It's the things that make people love a country rather than fear it, things that are often the products of its people, its culture, its values, and its education institutions. Put simply a country's soft power is its attractiveness to others. According to Monocle the UK is currently first in the world for soft power, thanks in part to the global audience captivated by the Diamond Jubilee and the 2012 Olympics and Paralympics.

3.2 Sir Anthony Parsons explained the value of soft power to state actors:

It is really dazzlingly obvious ... [i]f you are thoroughly familiar with someone else's language and literature, if you know and love his country, its cities, its arts, its people, you will be instinctively disposed ... to support him actively when you consider him right and to avoid punishing him too fiercely when you regard him as being wrong.

3.3 Reputation and trust are critically important to a country's success as the certainties of the 20th century give way to a more fluid, volatile world. With multiplying players on the international stage seeking to make their mark and challenge established power structures, military power is no longer a guarantor of success internationally. International challenges like the Syria crisis and global poverty create new alliances and bring new voices to the fore. Soft power has a key role to play in establishing the UK as an honest, trusted broker in such contexts. The revolutions convulsing the Arab world require co-operation between state and other actors and interventions across the spectrum of international relations with development assistance, diplomacy, soft power and military capacity all crucial elements in delivering a safe and prosperous future across the region. To succeed in this world, the UK must act in partnership with old friends, attract new allies and persuade and win over doubters to achieve its strategic objectives. In the shifting, volatile dynamics of the 21st century, soft power is more important to the UK's success than ever before.

Hyper-connectivity

3.4 At the same time the tectonics of power are in flux, influence is moving away from governments towards individuals and civil society groupings. People-to-people contacts are growing in importance at a dramatic pace. 24 hour broadcasting, social media and mobile services mean people are better informed than ever before and can interact directly with each other across national boundaries with limited governmental interference – even in places where government seeks to impose barriers upon the flow of information and opinion. With 6 billion mobile phones around the world, 75% of which are in developing countries, the explosion in people-to-people contacts is far from being a purely Western phenomenon. Shared interests, passions and beliefs bring people together in chat rooms, the blogosphere and other online fora, creating a platform for people to organise themselves –

with everything from Pussy Riot supporters to Twilight Fanfic to be found in the undergrowth of this rich, wild new digital jungle. Businesses and institutions looking to expand rely increasingly on the internet to reach and influence new audiences as well as to invigorate and grow their presence in existing markets. Governments and agencies have recognised the growing importance of media like Twitter, Tumblr, Instragram, Pinterest and Facebook though they have had mixed results from their attempts to exploit it for their own messaging and influence, partly because of social media users scepticism of Governmental “propaganda”. UK cultural and educational institutions are developing their digital offer to extend their reach, offering access to their collections, promoting their study opportunities, exploiting their intellectual property and sharing knowledge.

3.5 The British Council is developing its online presence to take advantage of the opportunities available in this new hyper-connected age. We benefit from our arms-length relationship with the UK Government and are viewed as a reliable, trusted player in the online world. We have an expanding online global presence, using digital services to reach millions of young people. Digital participation rose from 73 million in 2011-12 to 90 million in 2012-13. The number of people taking part in our online learning and social networks has doubled over the same period to 8.4 million. We expect this growth to accelerate further as we invest in our range of online tools and mobile apps. Our award-winning English language services on China’s leading micro blogging site Sina Weibo; our Middle East and North Africa Facebook page that is supporting 1,200,000 learners of English; and our Study, Work, Create web portal that brings together all the international opportunities available to young people in the UK in a one stop shop, are all examples of our global digital offer. We are also working with Intel to provide English language learning materials on 100 million computers by 2020 for schools, teachers and individuals to increase access to English language skills and improved technology-based learning worldwide.

Trust

3.6 Where it is successfully deployed, a nation’s soft power builds trust, strengthening ties between peoples and increasing the likelihood people will consider a country as a place to visit, study or invest. Our Trust Pays⁴⁹ research has found the increased willingness to look positively on a country can be marked, both in places with which we have traditional ties but also places with no historic or cultural links. For example in India the percentage of respondents surveyed that looked to the UK more positively after engaging with the UK’s great cultural assets rose by 24% while in Russia it rises to 29% and Saudi Arabia 19%. The research also shows that the UK benefits significantly from its historic links through the Commonwealth with much higher levels of trust than the USA or Germany in countries like Pakistan and India. The other critical finding of the research is that trust in the people of the UK usually runs ahead of trust in the UK Government, perhaps unsurprisingly so in Russia and China but also in Spain and Saudi Arabia where there is 20% difference in levels of trust. The research is clear, exposure to a country’s culture and values can improve perceptions, counter negative impressions and open up opportunities for further engagement. Successful, non-Governmental people-to-people engagement increases the likelihood an individual will choose and/or recommend the UK as destination for visiting, study and investment. Crucially for Governments, our research has found that cultural engagement - soft power - successfully deployed, measurably increases the trust in Governments, generating opportunities for diplomacy and trade.

Reciprocity

⁴⁹ Trust Pays, British Council, 2012

3.7 Soft power is most effective where the focus is on sharing and reciprocity rather than simply selling a message. It parallels how people behave in their everyday life – friendships develop through communication, shared experiences, understanding and mutual interests. Hard power intimidates, soft power engages. By sharing the best of our culture, language and education and being interested and accepting of what others have to offer trust is built up. At its simplest, the key to soft power is old fashioned good manners.

4 The UK's soft power assets

4.1 The UK has exceptional soft power assets in its culture, language and education; it's long, rich and uniquely outward-looking history; and the powerful attractions of a modern, vibrant, creative, ultra-connected, open, tolerant, stable, democratic society.

English

4.2 Our single greatest soft power asset is the English language. The value of English to the UK cannot be overstated; it is the international language of the world and gives the UK and other Anglophone countries a very real edge in international affairs. It is one of the six official languages of the United Nations, the working language of the World Bank and one of three procedural languages of the EU. The long-term economic benefit to the UK of the English language has been estimated at £405bn by consultancy firm Brand Finance with the Intellectual Property asset value of the language to the UK estimated at £101bn.⁵⁰ It is one of the key elements in the success of international financial centres like London, New York and Hong Kong. Our research has consistently found English to be the UK's most attractive soft power asset globally, with the implication that the strongest assets are those offering practical, economic advantage. Research undertaken by Euromonitor for us found that proficiency in English significantly increases the earning potential of young people in the Middle East and North Africa, varying from 5% in Tunisia to 95% in Iraq. Proficiency in English is a valued skill globally, sharing our language and creating opportunities to learn and practice speaking it is the most potent soft power deployment available to the UK.

4.3 But English is a critical element in the soft power of the UK and other states not only as an immensely attractive asset in its own right but also because it is vital to the accessibility of other key cultural assets – our education, culture and values. The UK's global influence draws on its reputation as a place of excellence, creativity, ingenuity, a world leader in finance, the Law, science, research, the arts and creative industries.

Education

4.4 The UK's education institutions are highly regarded internationally and are an essential element of our soft power offer. Our schools and universities attract international students through the English language and the quality of the educational experience on offer. There is a significant advantage to an international student of having qualifications from a globally recognised institution like Cambridge University; it greatly enhances an individual's career prospects in much the same way that proficiency in English offers potentially significant economic advantages. The UK higher education sector is one of the most internationalised in the world: 18 per cent of our student base is international, over 25 per cent of faculty are non-EU, and more than 80 per cent of UK institutions are involved in international partnerships. BIS estimates that in 2011 the value of education exports to the UK was £17.5

⁵⁰ The English Effect, British Council, 2013

billion with the UK the second most popular destination for international students with 13% of the international market.

4.5 The British Council supports the UK's educational institutions internationally, bringing together partners in research collaborations like the BIRAX Regenerative Medicine initiative that is deepening collaboration between the UK and Israel in regenerative medicine. The scheme is supporting high-quality and ground-breaking UK-Israel research projects to develop treatments for multiple sclerosis and Parkinson's disease and a regenerative therapy for type 1 diabetes. We promote the UK's higher education institutions overseas to attract international students through exhibitions and services like the Education UK website that lists more than 150,000 UK courses and our Transnational Education (TNE) service which helps UK institutions develop and effectively promote international programmes. Our dedicated staff in-country provide bespoke support to identify the best opportunities to promote courses, broker relevant partnerships, develop and execute marketing plans and establish a clear route map through the local legal and regulatory processes including quality assurance frameworks.

4.6 The successful expansion of the UK international higher education market is vulnerable to the consequences of UK Government policy. The UK is the second most popular destination for Indian nationals looking to study overseas – a total of 40,890 students in 2010–11, contributing over £850 million to the UK economy but Indians are now rejecting the UK as a result of recent developments in visa policies. Since 2011 we have seen a 20% drop in the number of students coming to the UK from India. It is a very human response to the local press coverage of the UK's recent policy changes.

4.7 Higher education is by far the biggest part of the international education market but there is massive scope for expansion across the sector. Transnational education is set to grow dramatically as schools, colleges and other entrepreneurial institutions follow the trail blazed by Nottingham University in Malaysia and open up campuses in the high growth economies of Asia, the Middle East and the emerging Southern hemisphere powers. The market for English language teaching is huge and demand far outstrips the capacity available from current providers including the British Council and the leading private sector providers like Pearson. The scale of the opportunities available are immense and we work with private sector providers through market intelligence and networking opportunities to grow their own businesses overseas.

Culture

4.8 The UK's arts, heritage and creative industries continue to play an important role in the UK's attractiveness, with institutions such as the British Museum and Tate Modern continuing to draw millions of visitors every year. Visit Britain estimated the value of tourism to the UK economy in 2009 at £115 billion, the equivalent of 8.9% of UK GDP. Museums, galleries and the historic environment are essential attractions for visitors to the UK but so too are the UK's performance spaces and arts companies. 2012 saw record ticket sales figures for London's Theatreland of £529.7 million. The 2011 Edinburgh Festivals Impact Study estimated the economic impact of the festivals at £262 million to Scotland annually with the Fringe worth £142 million to Edinburgh. Public investment in cultural assets has a very real dividend for the UK economy.

4.9 The global pervasiveness of US and UK pop culture owes much to the international success of the English language. In an age where social media is increasingly significant in shaping opinions and sharing views, English is the premier language of the internet with a 54.9% share. Globally UK artists and cultural exports are enjoying success at a level not seen in many years with the James Bond franchise, Adele and One Direction all enjoying very significant sales. Global album sales of UK artists were a record 13.3% of the worldwide total for 2012. The output from Hollywood is studded with UK talent – our actors, directors, screenwriters, technicians and studios are major players in popular culture globally. British talent dominates the publishing industry with Shakespeare followed closely by Tolkien and J K Rowling in numbers of sales. In 2011 exports by UK publishers were valued by the Publishers Association at £1,223m. Many of the world's most popular literary icons are British – Sherlock Holmes, Elizabeth Bennett, Winnie the Pooh, Frankenstein's Monster – creating great interest and passion for the UK.

4.10 Elite culture has long played a role in soft power. The UK's cultural institutions are globally recognised with tours of our orchestras, theatrical and dance companies and museums and galleries always immensely popular. Our architects, artists and designers are in demand around the world with Lord Foster, Zaha Hadid, Thomas Heatherwick and other leading figures transforming cityscapes and public spaces with the best in British design. Our influence in the world of fashion is immense with our designers playing leading roles in the great fashion houses as well as masterminding the success of their own labels under the watchful eye of Anna Wintour.

4.11 The British Council manages the British Pavilion at the Venice Biennale and supports the devolved administrations' participation at the festival, showcasing the best of British art. We also support and help to co-ordinate the international activities of the UK's great arts institutions to ensure maximum impact for the UK, through programmes like our four year Transform season in Brazil where we are collaborating with the Southbank Centre, the ICA, the BFI, the Roundhouse and the V&A to take the very best of British arts and creativity to new audiences across Brazil.

4.12 Sport has a universal appeal that crosses language and cultural barriers making it the most accessible and exportable of the UK's soft power assets. And the UK is a world leader. The sporting elite are every bit as popular internationally as movie and pop stars – Andy Murray and Gareth Bale are hugely popular figures around the world. The global following of Premier League Clubs is staggering. Chelsea has supporters' club branches in Mongolia, Japan, Chile, Nigeria, Brazil, Singapore, Russia, Uzbekistan and even Iran. Football is a global game with universal appeal. The British Council recognises the global appeal of the Premier League, our partnership with the Premier League on Premier Skills has helped us train more than 2,300 coaches since 2007 and reached a further 400,000 young people around the world.

4.13 The commercial success of many of our modern stars owes much to the UK's pragmatic mixed economy approach to funding for culture. Public funding underpins the local and regional infrastructure that fosters talent – the local theatre where the next Ian McKellen learns his craft, the music programme that gives the next Emeli Sandé the creative space to practice and grow. Public support has been critical to UK artists' global impact. Equally significantly, it enables our great national companies to take creative risks instead of always producing the popular show that is guaranteed to sell out, to enable directors, composers, choreographers and playwrights to experiment and develop the skills and

experience to make the new classics of the 21st century. However, it is not all about tax payer funding. Our theatres, galleries and arts companies are incredibly entrepreneurial, they must maximise their own income if they are to thrive. Entrepreneurialism drives ambition and innovation – the Tate Gallery receives 40% of its funding from the Government with the rest coming from foundations, corporate sponsors, individual and international supporters, a 100,000 strong Membership scheme and a £4.9m profit from the Catering and Enterprise team.

4.14 The UK's heritage casts a powerful spell over much of the globe. The Royal Wedding was not just a UK or even Commonwealth event it drew a truly global audience with an estimated 2bn people in more than 180 countries following newspaper reports, photos and TV. In the build-up to the big day Twitter recorded 237 tweets about the wedding every second. The Royal Family are a soft power magnet, for many people around the globe the Queen is one of life's few constants, a pole star in an ever changing world. The value of the UK's stability, history, pomp and ceremony as a soft power asset is difficult to quantify, there are visitor numbers for the castles and palaces and viewing figures for the Diamond Jubilee regatta but the importance of history, roots, of belonging is intangible. It is nevertheless an inspiration to those countries emerging from periods of instability and conflict. The Commonwealth is also a critical component of the UK's soft power, it brings countries together and celebrates and promotes shared values and experiences. Those in the UK that dismiss it fail to recognise the value placed in it by the governments of other member countries or the soft power benefits to the UK of the education, cultural and sporting links that it promotes.

London

4.15 London is undoubtedly one of the world's most attractive cities and is an integral part in the UK's soft power. It is an irresistible magnet for people from all corners of the world, not just those with historic or cultural links. The City is an immense asset. London's global position as a leading financial hub is a massive global draw. That hub status is not simply a result of our history; other once-great centres of commerce have faded into relative obscurity. It depends on the UK's attractiveness – the English language; our convenient time zone between the USA and the Far East; a stable, open, tolerant country; an economy with transparent legal, tax and regulatory regimes; the talented people who live and work here; and the quality of life on offer: the shops and restaurants, theatres, museums and international sporting venues, the parks and architecture, the schools and infrastructure. The concentration of financial, legal and other key services and international institutions in one place, together with the capital's great cultural assets form a unique and rich offer to investors, entrepreneurs, writers, artists, academics and students.

4.16 London has a reputation for offering the best in fashion, luxury goods and services with internationally lauded hotels and restaurants. London has been the playground for the wealthy for centuries both as a showroom for the best British brands like Burberry and Rolls Royce but also as the world's auction house for everything from Old Masters to fine wines. London, and the wider UK, benefit from brand Britain, from the legendary "cool" of '60s Carnaby Street to the 21st century ubiquity of Cara Delevigne's eyebrows. London appeals to the rich and the fabulous, to the young and the fashion forward, to the mature and nostalgic. The London Underground sign is every bit as iconic as McDonalds golden arches or Apple's apple.

Values

4.17 Much of London's global success can be traced to the UK's values. The freedoms and security we take for granted are hugely attractive to people living in less open and tolerant places. Other countries look to the UK for advice and support on how to strengthen their civic institutions and build a safer, more prosperous future. The Foreign Office's work promoting Human Rights is also incredibly important to the UK's reputation – speaking out against repression, intolerance and criminality builds trust with the isolated, oppressed victims of abuse and the “silent majority” that despise injustice and want only peace and a better future for their children. Government sponsored campaigns like the work on violence against women and girls are building trust for the UK and enhancing our reputation as a just, caring and reliable ally. The UK has far more internationally focussed NGOs than other countries in Europe. The advocacy work of Amnesty International, the life-saving development work of Oxfam and Save the Children and the numerous other NGOs that strive to build a better world give the UK a massive boost in credibility and trust. Sharing our way of life, showing solidarity with the citizens of the world, caring enough to want to help and knowing to ask how we can help, are all reasons the UK is taken seriously, respected and listened to internationally.

4.18 The British Council manages the Justice for All programme in Nigeria that aims to build the capacity, accountability and responsiveness of key policing, justice and anti-corruption institutions to improve access to security and justice for all Nigerians. In Burma, we offer uncensored access to the internet, with a quarter of a million users coming to our libraries each year. People can learn English and experience UK and international culture and freedom of expression in a safe, open environment. We have initiated a programme to train 10,000 English teachers a year in partnership with Burma's Ministry of Education – this will improve the teaching of English for two million young Burmese each year.

5 Learning from others

5.1 Our report, *Influence and Attraction: Culture and the race for soft power in the 21st century*, explores global approaches to soft power in depth. Many countries are recognising the importance of soft power and are developing their offer. There are long established players like the French and Germans. Much is made of China's enormous investment in international English language broadcasting and its rapidly expanding network of Confucius Institutes. There are newer entrants into the soft power “market”: Thailand, South Korea, Brazil, Turkey, Iraq, the Gulf States and many others who are developing soft power strategies and investing to grow their international reputation and clout. For most, investment in soft power is viewed as a national PR operation, a marketing campaign to shift perceptions of a country, attract potential investors, students and tourists, and/or counter the “negative propaganda” of rival states. It is about winning the “battle for hearts and minds” and the “Global Race”. This is evident in the approach of the Chinese whose massive investment in international English language TV and its global network of Confucius Institutes is designed to deliver former President Hu Jintao's aspiration to make “the voice of China better heard in international affairs”.

Soft power strategies

5.2 Countries around the world are adopting strategies for their soft power, investing in infrastructure like cultural institutes and programmes like scholarship schemes and

marketing campaigns. There are different models for deploying a nation's soft power. Western countries' cultural institutes tend to take one of two broad approaches - an arm's length governance structure that is aligned with their government's broad strategic priorities but are empowered to act autonomously, or else as a unit embedded in the Ministry of Foreign Affairs and functioning very much as an arm of government. Our research suggests the former approach is more successful at generating trust as people tend to be less trusting of government "propaganda".

5.3 The lesson for the UK is that we cannot rest on our laurels, other countries are looking at what the UK has done to secure its top spot in the soft power league table and are developing their own offer. The scale of China's ambitions is reflected in the level of investment in its network of Confucius Institutes, spending rose from ¥350 million in 2006 to ¥1.23 billion in 2009 and a network of 122 classrooms and institutes in 49 countries in 2006 to a network of 826 in 104 countries in 2011. Vast resources are also being invested in English language broadcasting by China.

5.4 The UK will need to continue to innovate, to support its soft power assets. In age of limited public resources, the UK cannot simply compete £ for ¥ with China and other competitors. We will need to think strategically about how we invest, supporting organisations like our universities and museums to be more entrepreneurial and to be ambitious internationally. Knowing when to get out of the way and avoiding undermining the UK's soft power is a key challenge for Government. Governments are not as effective at building trust as people, striking the right balance between central control and an ineffective, uncoordinated approach to soft power is critical. The UK has been getting the mix broadly right but there are certainly lessons to be learned from our soft power competitors.

Les Saisons Culturelles

5.5 The long success of the French Cultural Festivals, Seasons and Years over the last quarter century, developed in collaboration between the Ministries of Foreign Affairs and Culture and the Institut Français, is one the UK has adopted to great effect recently. The approach targets the places that are strategically important to the UK's prosperity and deploys the soft power assets that will hold the strongest appeal to that place to build bridges, challenge preconceptions and develop further opportunities for the UK. The role of Government is significant, the announcement of the Season brings political leaders together, opening channels for diplomacy and engagement, and over the course of the Season politicians, businesses and other partners have countless opportunities to engage – parallel events are almost inevitably scheduled to discuss education, the creative industries, for networking and to explore commercial opportunities.

5.6 In 2012 we organised UKNow which saw events take place in 29 cities across China, including Hong Kong and Macao, and featured 780 UK artists performing across 170 venues. More than four million people attended events and millions more participated through the website and social media channels. Last year we launched Transform, a four-year programme of cultural exchange and collaboration between the UK and Brazil. The UK is viewed by Brazilian stakeholders and cultural organisations as a leader in terms of arts and cultural management, and policy development and implementation - particularly in articulating and linking cultural policy to economic policy. Transform is using our established reputation to develop and deepening links between Brazil and the UK to build trust and generate further opportunities for the UK. In 2014 we are looking forward to the UK-

Russia Year of Culture and to ZA/Connect, our UK-South Africa Season. The great strength of the Season approach is in the magnifying effect of a series of events, a single exhibition or performance may attract rave reviews but the impact on the UK's standing and reputation will be limited as the focus will be on the event itself. A co-ordinated programme of cultural events can powerfully demonstrate the attractions of the UK. They work so well as they are built around reciprocal arrangements. For example, the British Council's programme for the 2014 UK-Russia Year of Culture will bring the best of Russian arts and culture to audiences across the UK as well as taking the best of British creativity to audiences in Moscow, St Petersburg and other major Russian cities.

Scholarships

5.7 Scholarship programmes like Chevening bring the brightest and best international students to the UK, creating a pool of alumni who should look positively to the UK after spending a long period in the country submerged in the culture and surrounded by its people. It is a model replicated around the world. The Chinese are investing heavily in expanding provision – there are an unprecedented 12,000 African students currently studying in China a figure that dwarfs that of all the other programmes open to young Africans. It has the potential to have a very significant impact on China's future influence across the continent. By way of illustration of the potential of this investment by China, the Heads of State of Denmark, Portugal, Iceland, Norway and Turkey have all studied in the UK; a 2011 report by the Home Affairs Select Committee identified 27 such Heads of State. The UK does exceptionally well in attracting young people to study in the UK but the numbers of scholarships on offer are limited which could leave the UK lagging far behind China in terms of influence in Africa as the African economy picks up pace. There may be a role for Government to provide additional, targeted scholarships for the leaders of the tomorrow. At present we rely on attracting young people with the means to fund their own studies to choose the UK but those unable to afford the fees and living expenses of studying here will turn to China and other providers to get the education they want at a price they can afford enabling China to build trust and develop the contacts that will give them influence in the future. We will need to be much more proactive if we want to build up trust and influence and secure our market position in the "African lion" economies of the 21st century.

5.8 Engaging in schemes like Brazilian President Dilma's Science Without Borders programme and supporting UK higher education institutions to attract more of the brightest and best international students or to open up new campuses in overseas markets are models for what might be done in Africa and other places of strategic importance to the UK's future security and prosperity. With the UK's traditional strengths in higher education, links through the Commonwealth and the growing recognition of the commercial advantages of the English language in Francophone Africa and elsewhere, the UK has a strong appeal to young people but Government intervention is needed to ensure opportunities are made available to the people the UK most needs to engage with to meet its strategic needs, rather than just the ones wealthy enough to self-finance their studies.

Broadcasting

5.9 In the BBC World Service the UK has a unique asset. The trust it has built around the world for the UK since its foundation has been huge. For many people it has been their only link to the wider world. For many years it was unrivalled in its reach and impact. Technology

and the ambitions of other states has seen an explosion in competitors. The rise and rise of Al-Jazeera and the massive investment in China Central Television have been well documented but the internet and mobile services are “voices” speaking to the world, informing and colouring opinion, influencing and shaping reputation and trust. This new crowded market is one the UK is well placed to compete and thrive in. The BBC has been at the forefront of innovation in online and broadcast news and will continue to do so while the UK’s globally recognised creativity and expertise in digital services will continue to combine to produce the kind of vibrant content for radio, television and the internet that people want to see and hear. Services like the British Council’s award winning Selector which shares the best of new British music with audiences all over the world attracts international audiences as well as awards. More subtly, the independence of the BBC will see it continue to be recognised and trusted as an unbiased reporter. Al-Jazeera’s success comes in no small part from its freedom to report while CCTV’s influence overseas will continue to be undermined as long as the suspicion that it is the voice of the Chinese authorities persists in the minds of audiences. The UK will though need to avoid being too heavily reliant on the current international supremacy of English as other languages grow in importance, our competitors in Europe and the Far East are investing in Arab language TV channels for example.

Film, video games & superbrands

5.10 The free-market Americans have in Hollywood the true global Behemoth of soft power. The film industry is the reason the USA is a consistent leader in soft power and at apparently little cost to the American people. From Tehran to Taipei the blockbuster and A-list star exerts an attraction with very few rivals. Hollywood is a critical element in the USA’s soft power, James Bond and Harry Potter may be quintessentially British icons but they sit alongside Superman, G I Joe, the Terminator, Indiana Jones, Captain James T Kirk, Jason Bourne, Mickey Mouse, and Han Solo. The attractive power of these icons is huge. But it is a myth that the movie industry is free soft power for the USA. Hollywood’s great commercial success depends on the tax credits, movie production incentives, cash rebates, grants, tax exemptions and fee waivers and other kickbacks offered by US state legislatures, and international players – including Canada, the UK, New Zealand, Hungary and the Czech Republic, that can offset 25-30% or more of the production expenditure. It is more heavily subsidised than the UK’s national arts institutions.

5.11 Alongside the UK and the USA, Japan has produced some of the greatest pop culture icons of recent years. Video games and anime icons like Mario, Zelda, Sonic the Hedgehog, and the world’s second most famous mouse, Pikachu, are all significant contributors to Japan’s soft power. The Pokémon phenomenon was a master class in creativity, branding and marketing by Nintendo, one of the few global rivals to Disney, Marvel and George Lucas in the creation of enduring, pop culture icons. Gaming, gadgets and Tokyo’s soaring architecture and neon lights project an image of an ultra-modern, high tech, innovative, creative, fun and exciting nation.

5.12 But icons are not the preserve of movies, games and comic books, the US’s instantly recognisable super brands are also iconic – McDonalds, Coke, Pepsi, Nike – and a crucial element in its global attractiveness. The UK has its share of super brands and iconic figures but there has been a tendency for the UK to export its creativity rather than harness it – British ingenuity can be found at the heart of the success of Apple, Marvel and all the other soft power pop culture powerhouses. Fostering that talent at home and building the

businesses that can compete on equal terms with Square Enix, HBO and Sony should be a goal of a government looking to rebalance the UK economy.

Immigration

5.13 The UK Government's approach to immigration has significant implications for the UK's attractiveness. What is often regarded as a domestic issue is followed closely in Kolkata, São Paulo and many other cities round the world. UK politicians and the Home Office have at times displayed a naivety over the UK's national interests in building trust in key markets through its handling both of policy but more particularly the messaging around policy changes. Whatever the intention, the message being received overseas is that the UK is closed for business. With the very significant inward investment made into the UK economy by the Chinese, the Indians and the Gulf States, and the high volumes of students choosing the UK for study for 1-3 years before returning home, much greater effort should be made to ensure the efforts of the Foreign Office, BIS and the Prime Minister himself are not undermined by poor communications. Our international competitors are looking to encourage and make it easier for brilliant researchers, wealthy tourists and potential investors to visit and enrich their countries at the very time we are perceived as raising the drawbridge to deter people from coming to the UK.

6 Recommendations

6.1 We are now entering an entirely new world where influence is increasingly diffuse, and the prevalence and speed of connections created by new technology are fundamentally changing the way in which people relate to each other. Relationships between countries are changing fast. Soft power has always been important, but in this new environment it is now indispensable for countries that want to prosper and remain secure.

6.2 This fundamental change in the international landscape is increasingly placing individuals, civil society organisations and businesses as key actors in international relations. The challenge for governments is how to create the conditions whereby the people of their countries can effectively participate in this globalised international community, maximising benefits in trade, investment, security, knowledge and mutual learning and connections.

6.3 To date, the process of globalisation and growth of hyper-connectivity has been a very positive development for the UK. We have a long proud history as an outward facing nation, and the rise of the English language as the de-facto language of global business and higher education has given the UK a huge competitive advantage. The UK population is widely regarded as diverse, tolerant and accepting of difference – vital attributes in a globally connected world.

6.4 However, the UK cannot rest on its laurels as other countries are developing soft power strategies and investing heavily to compete with the established soft power superpowers. They are assimilating the lessons of the UK's success and are also innovating – for example Thailand's ambition to become the 'kitchen of the world' or Brazil's Science Without Borders programme. Monocle's reigning soft power champion is vulnerable in a number of key areas and will need to take action to remain competitive.

The relatively weak level of international skills in the UK population

6.5 As country we are far too dependent on the dominance of the English language. English has been hugely advantageous to the UK and 1 in 4 people globally speak the language but that leaves 3 in 4 who do not. Many of those are in key growth markets with large populations like Brazil, Indonesia, China, countries whose languages are going to be increasingly important as their economic power continues to grow. With Asian economies growing fast, our competitors in Western Europe and around the world are learning Mandarin and other languages in increasing numbers while the UK continues to lag behind.

6.6 According to the Education and Employers Task Force, poor language competency is resulting in a direct loss of at least £7.3 billion per annum to the UK economy – that's 0.5% of GDP. As international trade grows, this is only likely to increase. In addition, if UK citizens cannot speak other languages they will miss out on opportunities for international learning and knowledge exchange, and risk being seen as internally focused and disinterested in other countries – the opposite of what makes for successful influence in a global age.

6.7 In a world where individuals connect more and more across international boundaries, and knowledge and networks are increasingly the key sources of attraction and influence, promoting the value of modern languages to young people is going to be critical. Yet the current trend is in exactly the opposite direction.

6.8 A 2012 European Commission study found that only 9% of English pupils surveyed at age 15 were competent in their first foreign language beyond a basic level, compared to 42% of their peers across the EU.

6.9 Language learning in UK schools has seen a sharp decline from 78% of GCSE students in 2001 to 40% in 2011 (Language Trends Survey) and although the results this year may finally mark the turning point in this trend, the 2013 A-level results continue to be a source of serious concern with a 10% fall in the number of students taking French in 2012 and falls in Mandarin, Arabic, German and Italian. This decline is also apparent in higher education. Despite a 3.5% increase in the number of students applying to university in 2013, applications to study modern languages fell by 6.7% and many institutions are looking to downsize or close their language departments.

6.10 In 2013, our Culture at Work research showed that businesses in 9 key countries (including India, China, Brazil and South Africa and the UK), place a high value on intercultural and language skills for bringing in new clients, building trust and protecting reputation. Our research has also revealed the significant disparity between the very high value placed by UK employers on modern languages and international skills, and the low value placed on these skills by UK young people.

6.11 While the government's recent reforms to the school curriculum that have placed a greater emphasis on language learning are to be welcomed, we believe that much more needs to be done in this area to deliver the kind of step change that the UK requires.

6.12 Possible options for increasing take up might include:

- Compulsory language learning, though this would not necessarily alter young people's attitudes to language learning.

- A vigorous campaign to inform parents and young people of the career benefits of language learning.
- Curriculum reform to make languages a more accessible and attractive subject to young people.

The low number of UK young people who study overseas

6.13 Equally important to language learning is the cultural understanding and familiarity that a period of studying or living overseas brings. The UK is a global leader in the international student recruitment market, attracting young people from around the world. However, it performs very weakly in terms of the outward mobility of students with only around 22,000 UK students studying overseas, while the UK attracts over 400,000 students to study in UK higher education Institutions each year, as well as several hundred thousand more in pre-HE education, vocational training, Further Education or English language training.

6.14 The critical importance of international skills and experience to the UK economy has been highlighted by the British Chambers of Commerce in a survey of over 8,000 businesses. The findings suggested that “providing firms with more training in foreign languages, and increasing their exposure to international companies would encourage more business owners to export”. We believe that ensuring that a higher proportion of the future workforce has studied and experienced life abroad would make a significant impact in this area.

6.15 As well as the clear gain for businesses through a better skilled workforce, there is significant evidence that people forming connections and friendships with people from the UK – including with UK students studying overseas - has wider soft power benefits. This is demonstrated, for example in higher levels of trust towards the people and government of the UK and an increased propensity to want to do invest, visit or study in the UK. Our brilliant young people are among the best ambassadors the UK has.

6.16 The British Council has recently launched a major new programme - Generation UK - which aims to enable 15,000 young people to undertake a fully funded study or work placement in China by 2016. Later this year we plan to extend this scheme to also offer opportunities in India. We would very much like to further extend this scheme, both in terms of numbers and countries covered in the future, and are working with private sector partners to secure funding.

6.17 Again a key challenge is getting young people to recognise the benefits of living, working or studying abroad. More work needs to be undertaken to understand the barriers to young people’s outward mobility. Poor language skills and a fear of the unknown are likely possible factors but it may also partly be a result of the UK’s own attractions – if you want to work and live in the greatest city in the world why would you choose anywhere other than London to study for your MA?

6.18 Understanding the barriers and identifying the policy responses to address the barriers are a key challenge. The UK government, the devolved governments, the education sector, the British Council and major UK businesses all have a role to play in increasing outward mobility for UK students and young people. There are plentiful opportunities for UK people ²⁶

to live, work and study abroad but we need to inform young people about the benefits of doing so.

6.19 Possible options include:

- Developing a strategy to promote the very significant economic benefits of international skills and language learning are likely to be an important part of any co-ordinated activity to increase take up.
- A brokerage service to match graduates and current students with UK businesses who would like to develop their export potential to develop funding and training opportunities for young people to acquire the international skills their sponsoring partner needs.
- Given the high levels of youth unemployment in the UK the value for money possibilities for a Government sponsored scheme to enable suitably qualified young people to undertake voluntary international study or work placements that will then enhance their employability and up skill the workforce are worth exploring.

Scholarships

6.20 Providing future leaders the opportunity to study in the UK has proven immensely valuable for building trust. Chevening and Fulbright alumni have retained strong links with the UK and are assets for our international influence and reputation. Scholarships are a unique way of attracting the brightest and best to the UK and to build lasting relationships. The UK is already a leading destination for international students yet more could be done to target young people who cannot afford to fund their own studies but who are likely to rise to positions of importance and influence in future. Scholarships offered on merit to outstanding young academics in countries in Sub-Saharan Africa, South Asia and the Middle East and North Africa would enable the UK to engage the young people who will hold key roles in strategically important countries in future.

6.21 Possible options:

- Expand existing scholarship programmes like Chevening by increasing the number of funded places available.
- Develop international public-private partnership programmes bringing together UK firms that are looking to develop a presence overseas using a model similar to the British Council's partnership with Tullow Oil. The Tullow Group Sponsorship scheme aims to build capacity in areas where Tullow's host countries experience significant skills gaps, especially, but not exclusively, around their oil and gas industries.
- Invest in the interchange of students and academics between UK and partner countries through programmes like UKIERI that has already created 600 partnerships between UK and Indian education institutions.

Visa policy

6.22 Following the introduction of new visa requirements in 2011 there has been a drop of almost 25% in the number of students coming to the UK from India and a 13% drop from Pakistan. The biggest impacts have been in Further Education and the English Language

Teaching Sector. The ONS quarterly report for April 2013 showed a 46% fall in applications from international students to further education colleges and English language schools.

6.23 While some of the fall in applications has been offset by growth in the number of students coming to the UK from China, the UK's overall growth in international student numbers of 4,570 in 2011-12 is tiny compared to recent US figures of a growth of 41,000 students over the same period.

6.24 Where our competitors are continuing to show strong growth in the numbers of international student applications, the UK's market share is slowing and the current visa arrangements are a critical factor in the decline in growth. There are real risks to the UK's research base as pioneering programmes in engineering and life sciences depend upon international students and researchers. In the longer term a fall in international student numbers could have significant costs to the UK's economy. About 90% of full time postgraduate taught students in biotech and some engineering programmes are international – long term reduction in the number of these students would threaten the UK's research base. Put crudely, the income from international students taking Masters courses is underpinning the advanced research programmes the UK depends upon to be internationally competitive.

6.25 The British Council fully supports the Government's intention to attract genuine students to the UK and we have been working very hard with the UK Government to get the right messages out to key countries, especially India. However, given the long term economic, soft power and other benefits from international student recruitment we believe that there should be a much greater awareness of the impact of domestic policy issues such as immigration policy and their impact on soft power.

6.26 It is a fact that the vast majority of students return home at the end of their course or else after gaining an extra 6 – 18 months of professional experience. They are not migrants, they are temporary visitors - paying guests – they should be excluded from the net-migration figures.

6.27 Alongside student visas, delivering a flexible, affordable, fast and effective service for visitor visas for international artists, sportsmen and –women and politicians and other leaders is key to the UK's soft power. Needless bureaucracy and red tape should not be allowed to jeopardise important intercultural engagement.

6.28 The two aspects of the visa regulations that have the potential to do the most damage to the UK economy and cost the most UK jobs are the restrictions to 'pathway' visas and the post-study work visas. We would support a review of these policies which we believe have a detrimental impact on the UK's soft power.

6.29 Possible options:

- Government should consider how to better co-ordinate work across departments to ensure a joined up approach that takes account of the international implications to the UK's influence and reputation of policies like immigration.
- Government should consider separating international students from the migrant statistics

- Government should assess the impact of visa reforms on the UK's economy and international influence and reputation and consider reviewing policy accordingly.

Maintaining a vibrant 'mixed economy' soft power model

6.30 At a time of financial austerity there is a real risk that government departments and wider public and third sector bodies will deprioritise international work to focus on their 'core' domestic roles. Whilst such programmes are relatively easy to cut, this could have long term soft power implications for the UK.

6.31 Given the growing importance of soft power, we believe Government should consider introducing mechanisms to incentivise the protection of spending on international activity by departments. In addition, to encourage more international outreach, we would suggest consideration is given to how government could incentivise public bodies linked to the arts, education and culture to increase the proportion of their work undertaken internationally and examine the potential to use tax incentives to encourage businesses to support or sponsor international cultural programmes which support UK soft power, like student exchange programmes and support international events like Expos and tours by UK arts companies.

6.32 Many of the UK's soft power assets are extremely valuable contributors to the UK economy and should be nurtured and supported by Government for that alone. While our universities and national cultural institutions – including the British Council – are demonstrating increasing entrepreneurialism in developing and growing their own income, public funding remains crucial to the fostering of young talent, the pursuit of excellence and the continual renewal of the UK's creative base. Government should be wary of cutting the relative modest funding for the arts and HE sectors as the limited short term impact on the Exchequer could have very serious implications for the economy in the long term if it damages the UK's research base or starves the creative industries of the talent necessary to drive innovation or dims the light of the country's cultural fires that does so much to lure tourists, students and investors to the UK. Further research on the value of the arts and education to the UK's soft power could be illuminating, potentially adding a significant premium to the existing economic case for investment.

6.33 Apart from the domestic economic arguments for public subsidy for arts and education, in terms of soft power, public money is also the lever by which Government can influence and co-ordinate the international activities of a vibrant, diverse creative economy to maximise impact for the UK's influence and attraction. Seasons need to be co-ordinated and the FCO and organisations like the British Council need to have the resources to administer and organise complex programmes and be able to support other participants' involvement.

6.34 Public money is needed to ensure the UK's soft power is deployed where it needs to be rather than just where it is profitable to be. It is essential to the British Council's work and presence in strategically important but fragile states where it would be impossible to generate an income to support our activities. If the UK wants to continue to operate across the whole spectrum of international relations on a global scale it will need to continue to invest public money on its soft power assets as well as on military hardware and development assistance.

6.35 Possible options:

- Further research on the effectiveness of different international strengths in soft power would enable the UK to learn from the experiences of others and take action to mitigate the risks of losing influence and reputation.
- Government should explore the potential of tax breaks and other incentives to encourage private sector support for international soft power programmes like scholarship schemes and international arts showcases and festivals that support the UK's strategic objectives.
- Government could consider funding models to support the expansion in the international activities of our great cultural institutions, potentially involving private as well as public money. For example: National Lottery money might be used to support international partnerships to bring new work to UK audiences and share the best of the UK's cultural assets overseas; Government could set up a challenge fund administered by a body like the Arts Council or the British Council to encourage organisations to develop more ambitious international touring programmes; and/or Government could bring forward targeted support to enable more institutions to take part in Cultural Seasons in strategically important countries.
- Government and agencies need to consider the potential opportunities and challenges of the explosive growth in social media and other people-to-people contacts in terms of the UK's soft power to maximise the benefits in terms of reach and impact.

7 Appendix – the British Council

About the British Council

7.1 The British Council creates international opportunities for the people of the UK and other countries and builds trust between them worldwide. We are on the ground in over 100 countries. We connect the UK with people around the world, sharing the UK's most attractive assets: the English language, the arts, education and our ways of living and organising society. We have over 75 years' experience as the UK's leading soft power agency.

7.2 We stand beside and complement the work of the Diplomatic Service, HM Armed Forces, DfID, UKTI and the BBC World Service, in representing the UK to the wider world. We are closely aligned with the FCO through our NDPB status and Board-level representation but, crucially, are operationally independent. Our key strength is that we work in the spirit of reciprocity – we not only take the UK to the world but we also help bring the world to the UK. We share rather than broadcast and discuss rather than lecture. In a very human way, we build trust between the people of the UK and the peoples of other nations.

7.3 We work with three main groups of people - young people in education, or starting out on their careers, the leaders of the next generation; those who are practitioners in their field, such as teachers, academics, artists and community leaders; and a smaller number of people who are leaders in their societies: in politics, business, education or the arts.

7.4 We act on behalf of the whole of the UK and have offices in Belfast, Cardiff, Edinburgh, London and Manchester. We work closely with the devolved administrations as well as with

the UK Government. We share the great cultural assets of England, Northern Ireland, Scotland and Wales with the rest of the world. We support the UK's higher education institutions to attract international students, promoting our universities globally. We work closely with partners like the Premier League, Arts Council Northern Ireland, the National Museums of Scotland and National Theatre Wales on projects in the UK and overseas, like Premier Skills, Derry-Londonderry 2013, the Edinburgh Festivals and the Dylan Thomas 100 Festival.

7.5 We work with the UK Government and international partners to deliver life-changing projects with truly global reach. With funding from DfID we are delivering training for 1650 teacher training college tutors in Tanzania to improve the training of 70,000 student primary and secondary school teachers. Through Badiliko, a programme run in partnership with Microsoft, we are establishing 90 solar-powered digital classrooms in six countries across Sub-Saharan Africa, training 3,000 teachers to use IT equipment and helping 100,000 students gain new employment skills. Our UK Now Festival in China brought 780 UK artists to 170 venues across 29 cities to reach more than four million attendees and was made possible through support from Government and private sector sponsors like Jaguar and Diageo.

7.6 Although the British Council has retained the same mission for which it was founded in 1934, it has transformed its delivery model to become an exemplar of the entrepreneurial public service approach that mixes public funding with self-generated income to deliver maximum impact at the lowest possible cost to taxpayers. In the current financial year the Foreign Office grant to the British Council is £162m out of total projected income of £833m. Government grant now represents less than 20% of the British Council's turnover; entrepreneurship delivers the rest through 'paid for' services, partnerships and work under contract. The grant-in-aid element of our funding model nevertheless remains vital, it underpins our presence and activity in countries that are strategically important to the UK's national interests but where there are very limited opportunities to generate income, for example in fragile and post-conflict states. It also supports the core infrastructure of our global network and enables the organisation to develop world-class content for our projects in English, education and the arts worldwide.

7.7 Our performance last year in figures:

- We reached over 553 million people worldwide;
- We worked with 10.8 million people face-to-face;
- 12.7 million people attended our exhibitions, fairs and festivals;
- In English we worked with 1.7 million policy makers, Government ministers, teachers and learners, 2.37 million exams candidates, 55.9 million website users and 143.8 million viewers, listeners and readers;
- In the arts we worked with 532,000 artists, art lovers, cultural leaders and ministers, 9.5 million exhibition, festival, event and performance attendees and 142.3 million viewers, listeners and readers; and
- In education and society we worked with 2.9 million education and citizenship exhibition and fair attendees, 5.9 million teachers, academics, education and youth sector leaders and young people and 14.7 million website users

How the British Council evaluates impact

7.8 The British Council's evaluation framework is grounded in a theory of change. Within the context of our overall strategy and purpose it sets out logically how our work in Arts, English, and Education and Society achieves positive change for our UK and overseas stakeholders. Such an approach is widely used by charities, social enterprises, government departments such as DFID and the private sector.

7.9 To measure the impact of our work we use a range of tools:

- We commission independent research. In the last year this has included the value of cultural relations activities to the UK business community: *Culture Means Business* and the impact of cultural relations in building trust for the UK: *Trust Pays*. The Trust research demonstrated that those people who had engaged in cultural activity with the UK had a higher level of trust in the people and government of the UK than those who had not. It also found that those who had engaged in cultural activity run by the British Council had a higher level of trust than those who had participated in activities provided by any other organisation.
- We conduct an annual impact survey of our global stakeholders to assess how our work contributes to professional development, institutional development, and to awareness of and sustainable links with the UK. Whilst these are not exact measures of soft power, they do indicate the extent to which people value the experience of participating in our programmes. This clearly is an important factor in determining whether they are likely to have an enhanced view of the UK after participating in these activities. In the last year we surveyed and received data from 5000 people who have participated in our programmes within the last 6 – 24 months. The results have confirmed that as a result of our work almost 80% of our overseas participants in our programmes have strengthened or created new links with the UK and 85% have increased their awareness of the UK contribution to their sector.
- We commission independent evaluation reports for our main programmes and have a system of internal reporting to understand how effectively our portfolio is delivering to its planned outcomes and delivering impact.
- We are subject to the scrutiny of government and parliament. In June, the Independent Commission on Aid Impact reported, "*The British Council's response to the Arab Spring has been considered, strategic and a good complement to the FCO's. It has a strong delivery model based on good local partnerships and beneficiary engagement and has proved effective at its core goal of skills development and individual empowerment, with some wider impact through social mobilisation.*"

September 2013

British Council – Further supplementary written evidence

Creating Opportunities for UK Providers Worldwide

Our Purpose

The British Council shares the UK's great cultural assets: the English language, arts, education and ways of living and organising society with the world. This:

1. Builds trust in the people and institutions of the UK and supports prosperity and security around the world,
2. Encourages people to visit, study in, and do business with the UK,
3. Attracts people who really matter to our future to visit and engage with the UK.

The trust generated by our work has a clear positive impact on people and governments' willingness to do business with UK companies and institutions. Our research shows our work significantly increases the interest in the UK, and UK providers, creating opportunities for UK businesses.

English is central to our work

All cultural bodies worldwide start from sharing their language – the UK is immensely fortunate that English is ours. Nothing builds trust more effectively or is wanted more consistently from the UK worldwide, than our expertise and help in the English language. Some of this the British Council can deliver on behalf of the UK, a lot of it we do in partnership with other UK providers – exam boards, universities and private sector. But there is much more the UK could do, particularly in the state and public education systems of developing and emerging economies.

We estimate over 1.5 billion people are learning English, one in five of the world's population. Of these, about 50 million people globally learn English through commercial teaching centres. The British Council has 1% of this market with our face-to-face teaching centres in 60 countries. However, we reach hundreds of millions more with our LearnEnglish websites for children, teens and adults, with wind-up MP3 players in Africa and via radio, television and social media worldwide in partnerships with the BBC, Premier League and others.

We develop teachers and teaching resources in our large-scale English teaching operations in Western Europe, Asia, the Middle East and North Africa which are self-funding with no cross-subsidy from UK taxpayers. The resources we create in these larger operations enable us to reach and teach English in places few other organisations could – in conflict zones and developing countries throughout Sub-Saharan Africa and South Asia, the Middle East and North Africa; in countries like Afghanistan and South Sudan and in vital institutions for peace, governance and security like Egypt's Al-Azhar University, military colleges and civil service academies.

We use our English teaching expertise to open up other relationships for the UK with Ministries of Education. These enable us to work across state education sectors improving

quality and building capacity in teaching, teacher training, curriculum development, assessment and other areas. As an example, in Malaysia, we are working across 600 schools in Borneo to improve classroom teaching and learning of English and using a mentorship approach which will embed continuous teacher development and relationships long after the end of the project.

British Council English teachers are world-renowned and form a top quality source of highly trained internationally mobile talent for other UK institutions and English providers - many of which are run by and employ former British Council teachers and teacher trainers. Within our pool of over 2,000 teachers we have a healthy annual turnover of around 20%, of which we estimate about 15% go into other jobs with other providers in the sector. Others go into academic research posts and contribute to English Language Teaching research, advancing the quality of English learning worldwide.

Examples

Piloting in the Americas, we have reframed our offer to governments and ministries to bring together the UK's many strengths in both public education and English teaching. New web pages set out the opportunity for UK providers and presents to governments throughout the Americas the potential for complete UK-led, partnered and supplied solutions to these countries' education needs for English, bilingualism and broader education – all the way from skills to Higher Education.

- We work in partnership with others to deliver English Language contracts overseas in support of education reform in other countries, partners like Universities UK, HE institutions (Norwich Institute of Education, MARJON University, University of Wolverhampton, and University of Chichester), VSO, International House, Pearson, BELL Foundation and EAQUALS (quality and language assessment association).
- We manage and distribute UK based exams internationally. This provides annual export earnings of over £70m to UK exam boards and professional bodies.
- We jointly manage the Accreditation UK scheme with English UK. We accredit over 550 UK schools, colleges and universities as providers of quality English language learning, a powerful marketing tool for this £3billion UK business
- We support and broker opportunities for the UK English Language Teaching sector in priority markets like China where we tender teacher development work to the UK sector on behalf of Chinese institutions. In other contexts, e.g. India we arrange seminars on market opportunities for UK providers. We publish market reports for the sector on key markets. This support and brokerage has led to numerous new contracts and business for British organisations. In Africa, for example, our work has helped to double the business for Cambridge International Exams in Nigeria.

Fair Trading

We have very clear policies on Fair Trading and a strong organisational commitment to increasing opportunity internationally for UK providers. We deliver our charitable objectives

with grant-in-aid from UK Government and also through partnerships, contracts and ‘paid for’ activities and we recognise that in carrying out our activities there may be an impact on other parties, including suppliers, competitors and partners.

In response, the British Council adheres to all applicable legal requirements in our trading activities. We ensure operational and financial separation between State-funded activity and revenue generating activity through robust accounting firewalls and appropriate organisational structures. We have a Fair Trading Complaints Procedure for responding to concerns raised by other providers.

We have clarified our guidance on when we can help UK organisations, and when we cannot given finite resources and our charitable purpose and mandate. We offer a mix of free and ‘paid for’ services to support UK education providers of Education, English and Examination services, but we cannot offer free, unlimited promotion of one individual organisation’s products or services. We can offer support to UK providers under contract or on a ‘paid for’ basis where this does not conflict with our charitable purpose and does not unfairly disadvantage other UK providers.

In summary

The British Council builds the trust and creates the conditions for the success of UK providers. We are working hard with them to showcase the whole UK Education sector’s many strengths to overseas governments and agencies - all to create more exports, prosperity, security, opportunities and trust for the UK worldwide.

18 December 2013

British Museum, British Council and BBC World Service – Oral evidence (QQ 63-92)

[Transcript to be found under the BBC World Service](#)

British Museum – Supplementary written evidence

1. Ever since the decision by Parliament in 1753 to establish the British Museum, the idea of global access to the collection in London has been at the heart of its activities, to help citizens both native and foreign to better understand the world and their place in it. Through revolutions in the safe transportation of objects, cheaper travel and digital technology, the Museum's extensive international work and global collaboration have now enabled the Museum's Trustees to make this principle a reality, sharing the collection and exchanging objects and expertise with museums and publics around the world. That the collection of the British Museum belongs as much to the world as it does to British citizens is a powerful statement about the openness of British culture, politics and society. This point is also illustrated by the international make-up of the Board of Trustees which is chaired by Niall FitzGerald, who is himself an Irish citizen.

The extent and use of the UK's soft power resources

Is the Government doing enough to help the UK maximize the extent of, and benefit gained of, soft power? What more – or less – should the Government do to encourage the generation and use of soft power?

2. The GREAT campaign is a good example of a Government-wide marketing initiative to promote the UK's cultural activity to major international markets. However, the impact of this programme, along with other Government-supported initiatives and festivals, is clearly dependent on the capacity of those organisations that provide content. There are tensions between the aspirations of the GREAT campaign and the reality currently faced by content providers within the context of the changing climate for publicly-funded bodies. A possible solution might be to transfer funds directly from the GREAT campaign or from other promotional or coordinating organisations to the delivery bodies themselves.
3. The World Collections Programme illustrated how a small amount of Government funding can enable key cultural institutions in the UK to collaborate with each other in a number of important regions of the world to provide a wider public benefit. This is particularly relevant to those areas of the world where commercial activity is not currently feasible or appropriate, but the reputational benefits for the organisations and the UK as whole can be considerable. The recent visit to the Museum by a senior delegation from the Nigerian Parliament and their subsequent invitation to work with them to develop their own Parliamentary museum demonstrates the different aspects of cultural relations which relate to soft power, including economic, political and democratic engagement. A dedicated fund to support the international activity of UK museums would enable them to pursue opportunities, including museum development,

training and capacity building, which otherwise will not be possible and could contribute significantly to the perception of the UK.

4. National museums with global collections such as the British Museum require world-class staff to research, conserve, and present the collections to the public, both now and for future generations. Due to the nature of our collections the experts needed to carry out this work often come from outside the UK and the European Union. Securing visas for their stay has at times proved to be very difficult. This can also be true for visiting colleagues and overseas contacts such as those who attend the Museum's annual International Training Programme (ITP), which welcomes over twenty young museum professionals each year to London from regions as varied as China, Brazil, Egypt, East and West Africa, India and the Middle East. The Museum has built important long-term relationships with the governments and cultural agencies of many countries in these areas, as well as developing new ones, and it is potentially embarrassing and damaging if the visa process is seen to be blocking potential applicants.
5. Visas will remain an important issue for museums in a globalised and connected world. Initiatives such as the International Training Programme can be of huge diplomatic and political value. The recent reception for the ITP was attended by a number of Ambassadors, Government Ministers, senior civil servants, and funders of the programme, who had the opportunity to meet the group of young museum professionals from around the world. The global network of alumni that the programme has developed is of huge value to the international museum community and is a great example of effective soft power. There is an opportunity for increased collaboration with the Foreign and Commonwealth Office and other international arms of Government to maximise the soft power potential of this global network of scholars, students, and future cultural leaders.
6. The challenge around visas also affects in-bound tourism to the UK. A notable example of this has, until the recently announced changes, been the well-documented problems faced by Chinese visitors to the UK, who as a result are choosing to visit continental Europe instead. This has clearly been a missed opportunity when we consider the wider benefits for the economy and the significance of the appeal of London's cultural offer for both tourists and employers. The role of museums in attracting and adding value to foreign visits is clear – 10% of visitors to the UK, and 25% of overseas visitors to London, choose to come to the British Museum alone.
7. An important example of the way in which Government can support the British Museum's activities and make the most of opportunities is the recent exhibition *Mummy: the inside story* which took place in Mumbai at the CSMVS (formerly the Prince of Wales Museum of Western India). The exhibition was a huge success with the public, receiving

over 300,000 visitors. It also provided the venue for a reception during the Prime Minister's visit to India in February, bringing together both governments together with representatives of British and Indian businesses, supported by the joint sponsors of the exhibition, BP and the Reliance Foundation. The event helped to demonstrate the depth of engagement and collaboration between the two countries, while the involvement of the Prime Minister and his delegation added prestige to the exhibition and raised the profile of cultural relations between the UK and India. At the invitation of the Indian Government, the British Museum has, over the last two years, delivered a Leadership Training Programme for government museum and heritage professionals throughout India. This programme, and others like it, could provide an excellent opportunity for the UK Government to support and fund cultural activity which will also serve to support bilateral relations with India, and contribute substantively to the existing Memorandum of Understanding between the UK and India.

Aspects of soft power

What roles do sport and culture play in boosting the UK's soft power?

8. Key to the Museum's on-going programme of touring exhibitions, loans, training and consultancy are long-term relationships around the globe with colleagues, partner museums and foreign governments. This dialogue and exchange, operating at a distance from formal inter-governmental relations, include hugely important relationships with colleagues in countries where official lines of communication can at times prove problematic or be non-existent, with Iran as the obvious example. These museum-to-museum relationships, based on professional respect, shared expertise, and knowledge, are potentially able to sustain channels of communication between national institutions through the safe medium of cultural collaboration even in periods of disruption to other areas of official exchange, and can be of great symbolic and long-term diplomatic importance for the UK.
9. In 2010, the Board of Trustees took the important decision to loan the Cyrus Cylinder to the National Museum of Iran, where the small exhibition was viewed by over half a million Iranians and was visited by President Ahmadinejad. The Cyrus Cylinder of the Persian King Cyrus the Great (559-530 BC) is one of the most famous objects to have survived from the ancient world and has often been referred to as the first bill of human rights. Following the loan to Tehran, the object has subsequently toured five venues around the United States during 2013 and will be displayed in Mumbai in December 2013 to coincide with the World Zoroastrian Conference.
10. Other recent examples of the role that culture can play in facilitating international engagement and dialogue include the Museum's exhibition *Afghanistan: crossroads of the ancient world* in 2011, which was opened by the Foreign Secretary, Rt Hon William Hague MP, and President Karzai. In 2005, the British Museum exhibition *Forgotten Empire: the*

world of Ancient Persia, sponsored by BP, was the venue for the first ever meeting between the then Foreign Secretary, Rt Hon Jack Straw MP, and the new Iranian Vice-President for Foreign Affairs. This event provided the first occasion for contact between the British Government and the new Ahmadinejad administration.

11. The Museum's collaboration with the British Government in both Iraq and Afghanistan are good examples of soft power and the benefits of working together in key countries and regions. In Iraq, the British Museum's expertise helped to safeguard and restore Iraq's cultural heritage. Working with the British Army, the Museum has helped to establish a new museum in Basrah. During recent years the Museum has also worked effectively with UK Border Force to identify and secure looted objects from Afghanistan, and with the support of the Ministry of Defence was able to return them to the National Museum in Kabul.
12. Our international work also helps to contribute to this theme on a wider scale, by using the collection to create dialogues and understanding between cultures in different contexts. A potent example of this is the enormous appetite in countries such as China for major British Museum touring shows on great civilisations, such as the hugely popular exhibitions at the Shanghai Museum on Assyria (2006), Ancient Greece (2008) and India (2010). Other examples in China include the Museum's contribution to the Urban Footprint Pavilion at the Shanghai Expo in 2010 and the more recent collaboration with the V&A on the exhibition *Passion for Porcelain: Ceramic Masterpieces from the British Museum and V&A* in 2012, as part of the British Council festival *UK Now*. This kind of activity helps to define Britain and its leading cultural organisations as both outward-looking and as facilitators of international dialogue and exchange.
13. The Museum's major consultancy project in the United Arab Emirates to help the UAE government develop the Zayed National Museum in Abu Dhabi contributes to these agendas within what is clearly an important region for UK interests. The Museum's involvement with the Zayed National Museum, designed by Foster and Partners, provides a significant British presence in the mind of important stakeholders in the UAE, alongside those of France and the United States with the development of outposts of the Louvre and the Guggenheim. That the British Museum is, by contrast, supporting the UAE to create its own national museum and help present the culture, history and identity of the Emirates to the public – not planting a branch museum - is symbolically very important and a clear example of the attractive power of the British Museum and the name of British cultural institutions more generally as good partners with a reputation for high quality.

What more can be to encourage British people to acquire a deeper understanding of foreign cultures?

14. It is important to note that the Museum's international engagement also includes the many exhibitions and programmes in London and around the UK, such as the forthcoming season on Germany in 2014 or the aforementioned *Afghanistan* exhibition, which help the British public and overseas visitors to acquire a deeper understanding of foreign cultures and provide both an historical and contemporary context. Exhibitions such as *Hajj: journey to the heart of Islam*, which was on show at the British Museum in 2012, can also make important connections with diaspora communities throughout the UK, and facilitate opportunities for diplomatic and governmental dialogue and engagement. It is significant that the *Hajj* exhibition, about such a sensitive and important element of Islam, was developed for a global audience by the British Museum. It has since been shown at other venues in Europe and has also attracted much positive interest from countries in the Middle East.
15. Another example of the way the Museum can help develop the understanding of foreign cultures is the *A History of the World* project, including the *A History of the World in 100 Objects* radio series in partnership with BBC Radio 4. The radio programmes have now been downloaded over thirty-three million times worldwide and the wider programme included collaboration with over five hundred museums around the UK and the wider public.

What will be the long-term impact of cuts to budgets of publicly-funded organisations who promote British culture overseas?

16. The recent reductions in Government funding to the British Museum, along with other publicly-funded cultural institutions, inevitably increase pressure on the Museum to secure alternative funding sources and pursue further income-generating opportunities. This does of course impact upon the international activities which the Museum is able to undertake, including those of significant value in terms of soft power and international relations. For example, it was not possible to secure funding or sponsorship for a possible tour of regional venues throughout China of *Passion for Porcelain*, the joint exhibition with the V&A mentioned above. It is important to note at this point that the British Government does not currently fund any aspect of the Museum's international or national activity beyond Bloomsbury. All of this work is funded by external supporters, sponsors, and donors.
17. Although income-generating activity can often provide some of the benefits normally associated with soft power, this work is often limited due to resources, geography, and cultural expectations. This can result in valuable opportunities for cultural and diplomatic exchange and potential goodwill being missed, along with all of the associated benefits for the UK. This situation is often in stark contrast to those of our international comparators such as the state-supported French museums and the privately-supported American institutions, which are often able to deliver additional programmes for free in strategically important countries such as India or China.

18 December 2013

Dr Robin Brown – Written evidence

Introduction

1. This submission focusses on the role of government in building soft power for the UK. In particular it addresses the following issues.
 - a. How should we understand concepts of influence and soft power.
 - b. What is the current state of the UK's soft power
 - c. How should UK soft power be developed in the future.

The discussion here draws on research for a forthcoming book, *Public Diplomacies: Foreign Public Engagement in International Politics*, that explores the role of soft power strategies in since the 19th century.

What is Soft Power?

2. For the purposes of this submission influence refers to the ability of a country to get other people to support or cooperate with its external policies. Soft power is a broader concept relating to a country's attractiveness. External public engagement organizations are official or quasi-official organizations that are concerned with developing a country's soft power and influence. This used as an umbrella term to take in diplomatic, trade, cultural and broadcasting organizations,
3. Soft power is normally discussed in terms of attractiveness however it would be wrong to think merely in terms of a country's image. In practice we can see two interacting components relationships and reputation. Relationships between a country and those outside can come from many different sources for example trade, tourism, education, or scientific collaboration. Reputation comes both from the direct experience of relationships and from more generalized information about a country, for instance via the media or through a foreign country's educational system. Positive reputations encourage the formation of new relationships. Reputation can only be sustained over time if it supported by the appropriate relationships. Ideally, the work of building and maintaining relationships comes from those involved in them directly but where this is not feasible governments may provide support to create relationships which would not otherwise exist.

From this relational perspective several corollaries follow

4. Soft power is an aggregate of many different relationships. Relationships and reputations are built around many different areas of activity and may have very limited spillover. For instance a country's reputation for excellence in a particular scientific area may have little relevance beyond researchers in that area.
5. A country's reputation is different in sectors of activity and regions of the world. For instance a country may have a high reputation for the quality of its manufactured goods but not for tourism. While the Scandinavian countries enjoy a highly positive reputation in Europe and North America reputations are much less positive in the Middle East.
6. Relationships are about something, and require appropriate resources, if you don't have a flourishing cultural sector or HE institutions it's more difficult to form relationships in these areas just as a lack of military resources will reduce influence in networks around security issues.

7. Government and soft power interact in three ways.
 - a. Government policies support or obstruct the development of assets that people in other countries find attractive, for instance leading universities or innovative businesses.
 - b. Government develops mechanisms to make connections between soft power assets and foreign publics, for instance the work of the UKTI, the educational advisory role of the British Council, VisitBritain, the GREAT Campaign. Here government is facilitating the work of private actors.
 - c. Government draws on soft power assets to support its foreign policies, for instance using expertise from the NGO sector to influence foreign government thinking on an issue.
8. These three roles interact, it is much easier to facilitate where you have attractive assets in a country. Successful facilitation can lead to influence, where government by making a small investment leads to the creation of self-sustaining relationships. For instance during the Cold War the US support for performing arts, popular music and the publishing industry created networks that could then be sustained on a commercial basis. These networks then sustained interest in the US and ensured that its voice was heard. Existing connections between countries and a positive reputation ease the task of exerting influence. In turn the successful use of influence can ease the task of facilitation.
9. Because soft power is constructed in multiple networks there is no one size fits all strategy to build it. Three tensions need to be managed. Firstly, the tension between the domestic and international impact of domestically oriented policies. Restrictions on student visas may fulfil domestic policy needs but are extremely damaging for the ability to build relationships in the long term. Secondly, between the facilitative and influencing roles; what priority should each receive? Thirdly, between different policy areas. The plural nature of soft power creates major management problems. This is particularly the case for a country like the UK which has a broad range of soft power assets and wishes to exert influence across multiple regions and policy areas. The history of foreign public engagement in all countries demonstrates recurring struggles over the correct priorities and methods.
10. To summarize: we build influence by building positive and beneficial relationships and hence cultivating a positive reputation. But the influence effect of these relationships and reputations may not be fungible, but be confined to the network (set of relationships) concerned with a particular issue. This is consistent with the willingness of many people around the world to consume American popular culture but to still maintain hostile attitudes to the US.

The State of UK Influence

11. As Indicated by benchmarks such as the Anholt/GfK Nation Brand Index or Monocle IfG Soft Power Index the UK's national soft power is strong. An interesting perspective is offered by recent French debates on the *diplomatie d'influence*, these have focused on the role of specialist professional networks in influencing three areas, the specification of tenders for major projects, standard setting and the

development of policy ideas in each case the ability of the UK to operate effectively is a matter for envy.

12. The UK's current position is a product of relationships built up over a period of decades or centuries and reflects the central role of the UK in international relations, as well as consistent investment in soft power assets and foreign public engagement. However, there are challenges in the changing international environment and in the consequences of the current UK situation.
13. The growth of emerging powers creates new challenges for the UK. Firstly, there is the need to forge relationships where existing links are relatively weak in competition with other countries that see opportunities in the same regions. Secondly, emerging powers are building their own soft power assets, for instance universities, that can compete with those in the UK. Those same emerging powers are also investing in official public engagement networks and strategies in order to facilitate links with other countries, for instance China, Russia, South Korea, Turkey are all making major efforts to build their own networks of cultural centres. New state sponsored broadcasting organizations have emerged that compete with the BBC. The French external engagement machinery is also undergoing major revisions.
14. While general reputation is only one element of the ability of the UK to forge relations and build influence the impact of the financial crisis has been widely noted. In foreign policy circles the invasion of Iraq, followed by questions over the UK performance in Iraq and Afghanistan, plus defence cuts have all damaged UK reputation and influence. While these events may only have medium term impacts they play into a narrative of UK decline.

The State of the UK External Engagement Organization.

15. Compared with other 'big four' practitioners US, France and Germany, the basic organization of UK public engagement has been remarkably stable since the 1930s. This stability is seen other countries as a sign of the success and workability of the system. The system consisting of the FCO, a cultural relations organization; the British Council, an international broadcaster: BBC and a trade and investment promotion body; currently UKTI. Policy attention to this activity has varied over time; high in the 1950s and 1960s and low in the 1970s and 1980s. In the mid 1990s what had been referred to as 'information work' was rechristened, as 'Public Diplomacy'.
16. In 1997 the Labour government, launched a number of initiatives in relation to the UK's engagement organizations. It was believed that the post Cold War international environment demanded a new focus on public engagement strategies and that a more focused and coordinated approach was required. This work was given added impetus after 9/11 with the Wilton and Carter reviews of public diplomacy. These led to the creation of new coordinating mechanisms.
17. The interest in public diplomacy needs to be placed in the context of broader trends in UK foreign policy. Firstly, official foreign policy thinking has come to focus on a vision of what might be termed 'post-international politics' where the chief issues are 'global' such as terrorism or climate change that need to be addressed by international coalitions involving international organizations, states and NGOs. This tended to shift attention away from interstate relations. Secondly, reinforcing this

general vision was the concern with 'failed states', the successive experiences in the former Yugoslavia, Sierra Leone, Afghanistan and Iraq obviously drew much attention from MoD, DFID and the FCO and led to conceptual and organizational innovations to facilitate joint working in addressing these issues.

18. The arrival of the coalition government did indicate some change in direction as William Hague signalled that he wanted to give more attention to bilateral relationships, commercial diplomacy and key diplomatic skills. Despite the commitment to expanding the UK diplomatic network the pressure of spending cuts having dramatic effects beyond simply a reduction in the level of activity.
19. Under the pressure of the Olympics it appears that any general attempt to coordinate UK public diplomacy has been abandoned. A proposal for the NSC to develop a soft power strategy also appears to have lapsed.
20. Cuts in government resources have resulted in the British Council becoming increasingly dependent on other sources of funding and as such less responsive to government priorities. The transfer of the BBC World Service to license fee funding will over time produce a service that is reshaped by domestic license fee pressures and commercial opportunities. In both cases we can expect the organizations to follow the money and to become less responsive to foreign policy priorities.
21. The coalition government has committed the UK to spending 0.7% of GDP on aid as defined by the OECD DAC definition, at the same time it committed to spending 30% of aid in fragile states and in focusing aid on the poorest countries. In addition the 2002 Development Act requires DFID aid to be used for poverty reduction. Further the conclusion of reviews of aid carried out by the coalition limited the number of countries to which aid could be given. These multiple commitments place severe constraints on how aid can actually be delivered. Essentially the government is committed to spending more money in fewer countries in a way consistent with multiple policies. The FCO (and the British Council) has been set targets for their own ODA spend. Essentially as their own programme budgets are cut an increasing proportion of what remains must be ODA compliant. One of the attractions of a funding mechanism like the Conflict Pool is that it mixes ODA and non ODA budgets, in practice this reflects the fact that in conflict situations it may be necessary to spend non-ODA funds in order to facilitate ODA spend, for instance by providing security for development projects. The result is a further skewing of overall programme spending as a result of the ODA target. While the FCO does not have to meet the poverty reduction target not only are programme budgets being cut but the flexibility of what remains is being limited.

The result is that not only is the machinery used to build British influence being starved of resources it is becoming less capable, more fragmented and less flexible.

Towards a Soft Power Strategy for the UK
How can this situation be reversed?

22. The first step is a reassessment of what British foreign policy is for. Are the assumptions that have guided foreign policy over the past 15 years still relevant? What will British external policy need to look like in a Post-American or G-Zero world? Given the commitment of emerging powers to national sovereignty how does this affect the way that the UK should think about foreign policy? How will the UK

deal with radical changes in the EU whether as a result of a changing relationship between Eurozone and Non-Eurozone members or as a result of a UK referendum? Review the extent to which government priorities, departmental priorities and what departments are actually doing in the external area. To what extent are priorities really priorities rather than list of bullet points. Assess the balance between functional/issue priorities and country and regional ones. To what extent do foreign policy, development and defence policies mesh? Priorities for soft power should emerge from this reassessment.

23. Develop a cross-government soft power/influence doctrine that lays out the modes of soft power and influence that can be applied in different cases. What are the networks that can be constructed or mobilized? Here the developments around failed states provide a useful model. Because this is an area where DFID, MoD and FCO need to work together there has been considerable effort to develop shared strategies, approaches and funding mechanisms. A similar approach can be applied around the influence agenda. For instance a cross-government understanding of how influence can be used in support of external policy goals. Part of this approach is about developing routine collaboration across agencies, this needs to happen both in Whitehall and overseas. This concept will need to consider both long and short term programmes of work.
24. At an organizational level the soft power concept needs to be developed on a cross-government basis. The Cabinet Office should work with the FCO and other departments to monitor internal and external developments that affect the UK's soft power.
25. Aspirations to cooperate need to be backed up with resources. The ability of the UK government to support the development of soft power and to use influence in support of UK policy goals is dependent on adequate funding. While the FCO has been expanding its network, and presence is a foundation of influence, the reduction in programme resources, combined with ODA requirements place narrow limits on what can be done. While the 0.7% target gives the UK influence in issues around aid it gives very little benefit outside these networks. In pure influence and soft power terms some of the resources would be better employed elsewhere, for instance in building relations with emerging powers.
26. Again drawing on the experience with the Conflict Pool funding mechanism, an Engagement Pool that could be drawn on to support soft power and influence projects would be a useful way encourage greater involvement across government and beyond.
27. The success of soft power strategies both in facilitating the work of the non-government sector and in developing influence depends on the ability of non-government and government organizations to work together. It would be valuable to conduct a cross government review of the networks that outward facing agencies maintain in the UK; for instance in diaspora communities, business, NGOs, consultants, think tanks, universities. How extensive are these networks? Do they include the right people and organizations. Is there scope for different organizations to draw on each other's networks? Do these networks give the best understanding of the resources available to UK actors. External facing departments would benefit from being able to draw on the widest range of resources.

28. Government agencies with primarily domestic remits should be required to give some attention to potential international impacts of their decisions and programmes even. In particular agencies with business, education, scientific, cultural and community responsibilities have role to play.

Dr Robin Brown

18 September 2013

This evidence is being submitted in personal capacity

**Centre for World Cinemas, University of Leeds and B: Film: The Birmingham
Centre for Film Studies – Written evidence**

1. This submission is informed by two projects currently being led by the Centre for World Cinemas at the University of Leeds: 'Film Policy, Cultural Diplomacy and Soft Power' (funded by the Worldwide Universities Network) and 'Screening European Heritage: History on Film, the Heritage Industry and Cultural Policy' (funded by the AHRC and run in collaboration with B-Film: The Birmingham Centre for Film Studies). Both projects examine the way film and film policy around the world supports the use of the visual media as a vehicle for the communication of national identity and historical understanding at home and abroad. This process of communication plays a key role in the generation of a nation's soft power. For the UK, film is particularly important in this regard, with film policy being crucial to ensuring that the soft power of the nation's visual culture is fully leveraged.
2. We welcome the committee's return to Joseph Nye's foundational definition of soft power in its introductory comments. In recent years there has been a significant increase in discussion of this term. Soft power is a complex idea, defined by, and related to, a whole host of policy areas (economic policy, public diplomacy, foreign policy etc). However, it also has a distinct role within this landscape which is often ignored, particularly in popular discussions of the term where it is frequently conflated with discussions of economic imperialism and/or cultural propaganda. At the heart of our understanding of soft power is the imperative to gain international influence and promote domestic economic growth *through the attractiveness* of one's culture and values, effectively communicated to external audiences.
3. The cultural industries in general, and the media in particular, have long been understood to play a key role in the generation of soft power and are considered to be central to the UK's current position as the leading nation in the IfG-Monocle Soft Power Index. The nation's success in this year's survey is viewed by many commentators to be the result of events such as the filmmaker Danny Boyle's Olympic opening ceremony as well as the international impact of certain British historical dramas from *The King's Speech* (2010) to *Downton Abbey* (2010-).
4. We particularly welcome the committee's intention to 'learn from others' in its deliberations. The relationship between soft power *avant la lettre* and film policy is long and there are numerous examples of where it has failed to be generated. Here one might mention US foreign cultural policy in Germany in the immediate aftermath of the Second World War, where Hollywood imports were used as a straightforward 're-education' tool. While the ethos of, for example, John Ford's westerns was perceived by the US authorities as a perfect vehicle to explain the advantages of Western democracy, their often racist presentation of native Americans was instead viewed by many German audiences as reflecting an ideology reminiscent of National Socialism (for further discussion see the work of Jennifer Fay 2008). Or, we might mention the European film-funding schemes MEDIA and Eurimages. While the main aim of these schemes is to support the development of a sustainable European film industry, they are also rooted in the creation of a common, if loosely defined, understanding of European identity which can both help cement cultural links across the region and enable European cultural productions to have a global impact. Unfortunately, a large percentage of the films produced by these schemes fail to find any substantial audience, either at home or abroad. Such films are often condemned as

‘europuddings’ which, as the scholar Randall Halle notes, invariably have to appeal to the ‘lowest common denominator’ in their search of a common understanding of Europeanness, and in the process fail to connect with the public (Halle 2008). Equally problematic were the efforts in the 1980s by the Basque authorities to produce a series of historical epics that attempted to dictate a wholly affirmative understanding of Basque citizenship, all of which failed to connect with spectators. Finally, one might note the disaster that was *Confucius* (2010), a large-budget Chinese historical fantasy film which was the product of a policy intended to showcase to the world the potential of the Chinese film industry. The film famously flopped, even at home, being unable to compete with James Cameron’s *Avatar* (2010), despite the Hollywood film receiving only very limited distribution within China.

5. In each of these cases, policies have failed because they have attempted, at the very least, to control audiences’ understanding of a given film, at worst, the creative act of filmmaking itself. In the process, such policies have tended to produce banal films that have been dismissed as propaganda, however thinly disguised, by audiences. That said, many of these industries have clearly also enjoyed success and have wielded great influence that attests to their being instrumental in the generation of soft power. Hollywood dominates the world’s cinema screens due to the attractiveness of its product for a huge proportion of the global population. European funding, along with European distribution and exhibition networks, have been instrumental in the success of numerous films, not least *The King’s Speech* which, along with substantial support from the now disbanded UK Film Council, was also funded by MEDIA. And, of course, for many popular commentators at least, it is now seen as inevitable that China’s influence in the global media landscape is set to rise, demonstrated most obviously in recent discussions between US studios and the state-owned distribution company, the ‘China Film Group’. However, the success of China in the generation of soft power via its film industry will be contingent on it learning from the types of failed attempts outlined in paragraph 4 above, and specifically in allowing filmmakers to produce work that can critically engage with Chinese society and history and, in so doing, connect with audiences at home and abroad.
6. With regard to the situation in the UK, we would like to support the findings of the 2012 Smith report on the British Film Industry (‘A Future for British Film’), as well as the government’s and industry’s response to it. We also welcome the British Council’s 2013 report ‘Influence and Attraction: Culture and the race for soft power in the 21st century’, in particular its emphasis on ‘mutuality’ and the need to foster genuine cross-cultural engagement and understanding for soft power to be nurtured and sustained.
7. The success of the British Film Industry as an engine for the generation of soft power lies in its ability to i) connect with audiences, both at home and abroad through the design and marketing of films that generate high earnings and critical acclaim – in short, that people wish to see; ii) coordinate available domestic funding, working closely in collaboration with the television industry and new media platforms, and maximising training opportunities in these areas iii) engage proactively with transnational funding opportunities within and beyond Europe.
8. With this in mind, we also welcome the BFI’s recently published international strategy with its emphasis on audience development activity and production. Currently, two thirds of box office returns for UK films are earned abroad. We agree with the strategy to coordinate the efforts of key cultural and film industry organisations, under the leadership of the BFI, with the aim of developing long-term relationships with international audiences. We also

welcome the development of a UK film 'brand' and the 'We are UK Film' initiative. However, we also stress the need for a flexible approach to branding in order to reflect and support the great diversity of UK film production and to ensure that the identity of UK film is led by individual creativity rather than 'top down' prescriptive criteria.

9. There is a good deal of excellent practice internationally that we might draw on to explore further the soft power potential of film. A small country like Denmark, for instance, has managed to maintain a varied film culture and produce domestic as well as international successes through a funding policy focussed on the 'bottom up' nurturing of talent, and encouraging different kinds of productions for different kinds of audiences. This, in turns, offers an example of soft power as a multivalent phenomenon that can, in fact, be utilised not only internationally but also domestically. The European art-house hit *Flame and Citron* (2008), for example, offered a differentiated and nuanced account of the Danish resistance against the Nazi occupation. In the process the film not only won foreign audiences through an emotionally engaging portrayal of the past, it also showcased a positively self-critical image of Denmark's role during the war, in turn helping to enhance the nation's international moral standing. By contrast, the domestic production *This Life* (2012) re-enacted more straightforwardly heroic acts of resistance for the national audience, to tremendous popular acclaim.
10. It is only through the continued nurturing of the industry's relationship with international audiences and the focussed marketing of UK films abroad, along with a creativity-focussed approach to film development at home, that the country will be able to maintain the international impact of its film in the face of superior levels of investment in production and marketing from other parts of the world (Hollywood, China) that the UK can never hope to match.

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- Dr Lorraine Blakemore, Arts Engaged Fellow, University of Leeds.
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September 2013

Professor Michael Cox, London School of Economics (LSE), John Micklethwait, The Economist and Lord Williams of Baglan, Chatham House – Oral evidence (QQ 23-41)

Evidence Session No.2

Heard in Public

Questions 23 - 41

MONDAY 24 JUNE 2013

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Baroness Goudie
Baroness Hussein-Ece
Baroness Morris of Bolton
Baroness Nicholson of Winterbourne
Baroness Prosser
Lord Ramsbotham

Witnesses

Professor Michael Cox, Professor of International Relations, Head of Programme for Transatlantic Relations, Co-Director of LSE-IDEAS, London School of Economics (LSE), **John Micklethwait**, Editor-in-Chief, *The Economist*, and **Lord Williams of Baglan**, Chatham House

Q23 The Chairman: Gentlemen, thank you very much for coming to talk to us. We value your presence and ideas very deeply. I will go through a couple of formalities. You have in front of you a written declaration of the interests of all the Committee Members around you. That will give you a rough idea of where they are coming from, or where they are not coming from in some cases. Secondly, Lord Williams, I believe you indicated that you would like to make an opening statement. Professor Cox and Mr Micklethwait, feel free to do so or not, according to your inclination. Lord Williams, you got the first bid in, so please go first.

Lord Williams of Baglan: I just wanted to declare some interests. I am the international trustee of the BBC. I am also a governor of the School of Oriental and African Studies at the University of London, and a member of the council of Swansea University. Finally, I am a

member of a Carnegie-endowment project on political change in the Middle East, which has taken me to Istanbul, Cairo and Beirut in the past two months. Finally, if I may, I will refer to my role as a trustee of the BBC. It is perhaps relevant to what the Committee is looking at that later this week we will announce that the BBC has reached its highest ever global audience. We have surpassed the figure of 250 million, which was the target for 2015. I am particularly pleased, given the tumult in that part of the world, that the audiences for the Arabic service and the Farsi or Persian service have grown substantially.

Q24 The Chairman: Thank you very much. That is a very telling statistic. I hope that this Committee will have the opportunity to speak with your BBC colleagues—in fact, we will—as well as with other parts of the global information network in due course. That is a very significant sign. Thank you for making that comment. Your interests confirm my view that we are very lucky to have you here, and that you are ideally equipped to share your views with us.

I will start with what sounds like a general question. As a Committee, we are anxious to corral this very broad subject and ensure that we do not just end up with generalities but focus on what is going on and what the major changes are that public policy should take account of. Are we just looking at diplomacy in new forms, or is there some new factor, possibly connected with the cyberworld and the informational revolution, that means that the whole analysis of soft power becomes much more relevant to the activities of government, to the priorities of the country and to public diplomacy generally? That is the first question, and it gives you plenty of scope. I will start with the economist. Mr Micklethwait, you are an editor who oversees the world every week. Please give us your views.

John Micklethwait: Well, I, too, should declare an interest. I am a trustee of the British Museum. In some ways that affects some of these things in the same way as the BBC.

I think that something has changed in terms of soft power. I do not think that it has changed dramatically in terms of diplomacy, which still continues to be a business of people talking to people. In terms of the way that things are projected, there has been a change in soft power. I will use the British Museum as an example. You can reach a vast number of people, all the way round the world, much more easily via digital forms than ever before. You can also see that with the *Economist*. You have ever more means of distributing knowledge and, by extension, to some extent soft power, right the way round the world. In our case, the big change is, first, the internet, and secondly, particularly from our point of view, the rise of tablets. Each week, for example, you have the choice wherever you are between receiving the *Economist* in print, on a tablet or in audio form. The German Chancellor listens to it on audio and then complains about it afterwards, or Jimmy Carter receives it on his iPad at lunchtime in Plains, Georgia, and then receives his print edition a couple of days later. That is obviously an extended commercial for my own institution. However, beneath that there is a change in soft power, which is much more immediate and direct in terms of its ramifications.

Until recently—Mick might be particularly good at putting this across—it tended to be cumulative. You collected soft power by the general extension of your actions. Now in the digital world, there has been a change—although not a complete reversal—whereby soft power can also be achieved dramatically and immediately through that digital reach. Wherever they are, people are able to see things. You can see that in the news today, and in the immediate reaction to quite small things that affects the way countries are perceived. So that opens up another avenue. The question for government is whether that is a completely new and different way of reaching things, and something that needs to be tackled in a wholly

different way, or whether most of it is simply doing what you do anyway, but applying a slightly digital edge to it. I suspect that it is probably slightly in the second category.

Q25 The Chairman: You have put the question back very clearly indeed. It is the question of whether the Government, in the organisation of its interface with other countries and its dealing in international relations, has to revise its procedures in this age of total connectivity.

Professor Michael Cox: I do not think that I have any interests to declare, other than that I have been a professor at the London School of Economics for 11 years, Aberystwyth for seven and Queen's University for what seems like the previous 20. I take a rather different view to John's. We did not rehearse this and I do not suppose you would want us all to sing from the same hymn sheet, so I will make it a bit more interesting. I think soft power is not something you can put on and off like a shirt, or polish up like a pair of shoes to get ready for a job interview. It is something more structural. Joe Nye is the reason we are all sitting here in this room. In the original sense, I think he meant "soft power" as a structural concept. It is what a system possesses other than its hard military or economic power. It is the message about itself that it sends around the world. That is not the same thing as propaganda. It is the image of a particular country, held by a fair number of people, for good or ill. Structurally this building is the embodiment of a political idea. That is soft power. Over the weekend, I visited Kelmscott, William Morris's wonderful house in Oxfordshire, and was struck by how many overseas visitors were there. I did not immediately think, "Ah, I will be talking about soft power on Monday", but it struck me that this is structural, and part of the deeper essence of what you might call the British way of life. I half go along with John on the movements and changes that have taken place, but there are some more fundamental structural—although I would not say unchangeable—things that are embodied in civil society and the way we do things, such as having lots of bookshops and critical students, and overseas academics coming to study here. Those kinds of things are much more structural.

The second thing I would add to that is that it is very important not to make a sharp separation between hard and soft power. Sometimes we think that hard power is real power and soft power is the fuzzy stuff. Quite a lot of soft power derives from hard power. If your economy does not work, which is part of hard power, you are not going to have a great deal of soft power. If your soldiers misbehave overseas, that will weaken your soft power. If your soldiers behave well overseas, that will strengthen your soft power. I often see a kind of a Chinese wall put between the two concepts, whereas we should think of it as a totality in which one very much depends on the success of the other. By the way, when Joe Nye, who is a friend of mine, tried to formulate this idea in a modern context for President Obama, he said, "Let's not talk about hard or soft power, let's call it smart power". Secretary of State Clinton picked up on that. It is interesting to see the two coming together. Going back to the original point, there is something more structural about it than something that can be easily changed and moves from week to week.

Lord Williams of Baglan: This is a difficult question and a very broad one. It seems that soft power has had more effect on the governance of states than on international relations per se. There is a difference there. The chief actors in international relations are now almost the same as they were 500 years ago: namely, states. Of course, the number of states has proliferated. There are some non-state actors and there are international organisations such as the UN, NATO and the EU, but essentially it is about states. Where soft power has had the greatest impact is on the governance of states, whether they are rich or poor, large or small. Frankly, in some ways it has made the task of governance, whether in countries with long democratic traditions such as ours or newly independent states elsewhere, for example

in Africa, more difficult. It has forced Governments to react at a far quicker pace than they would have done not 50 years ago but 10 or 20 years ago. Collectively, we have seen this in our own political experiences and careers over the past 20 to 25 years. That is an issue. There is also the issue that in some ways soft power, as well as informing populations, has enabled challenges to government to come at a quicker pace, sometimes in a more unorthodox manner and sometimes in a more challenging if not threatening manner. I think of the rioting in London and other cities two summers ago, and the way that the tools of soft power such as Facebook and Twitter were used by those who were so obviously discontented. It is somewhat different, but I can see something similar—I found it striking—in two of the BRICS, the fast-developing countries, Brazil and Turkey, within a month of each other. Seemingly small disputes, over a hike in bus fares in one case, in Sao Paulo, and over the Government of Turkey wanting to take over a park, were bread and butter issues of local politics, but all of a sudden, through soft power, became challenges to government. That is an issue. There is an issue for foreign ministries. They have to bring this into their diplomacy—that is a considerable challenge—and use all the tools such as the internet, Twitter and Facebook. I am not speaking particularly of the FCO, but foreign ministries generally have been one of the more traditional pillars of government, if I might put it that way. They have not had to respond to their citizens in the way that domestic departments such as health, education or law and order do on an almost daily basis. So it has produced challenges and difficulties for foreign ministries, and it is something that increasingly they have to get on top of.

Q26 Lord Forsyth of Drumlean: Lord Williams, every time I think about what soft power is, it slips away like jelly. You appear to be describing as soft power the ability of people to communicate with each other and organise themselves through the internet and the various devices that can be added to it. Is that really any different? I can see that it changes the way people co-ordinate direct action, but we have had direct action since Peterloo and the Chartists. The fact that people can communicate and that things can be made more widely known is a technological development, but is it really soft power? Are we confusing the media with the message?

Lord Williams of Baglan: I see your point, and you are right that in essence it is technology, but it produces a soft power that was not there before. If it was not for technology in Sao Paulo and Istanbul, would people, not in their thousands but in their tens of thousands, have taken to the streets over an increase in bus fares or moves to close a park?

Lord Forsyth of Drumlean: I see that, but I would regard that as direct action rather than soft power. To me, it is the opposite of soft power.

Professor Michael Cox: I will jump in here. I think to be fair to Nye, soft power in the way he uses it is not a jelly-like concept. I think that he meant it in three general senses. First, it is the broad model that a society has, and whether it has appeal beyond the borders of that society. Sometimes systems that you dislike may have an appeal beyond their borders. The old USSR had a message of liberation, socialism and industrialisation that had an appeal way beyond its own borders. It is not primarily the means of communication but the story you tell about yourself. Nye meant the things that any society does at any one time that cannot simply be grouped into hard military or economic power, such as bookshops, the level of tolerance, the rule of law, how you deploy your power, and how fair or unfair you seem as a society. It has a jelly-like quality, and I agree that it is not the means of communication or even the message but the story you have to tell about your society. Quite often you do not have to tell it. Joe Nye says there is a massive distinction between propaganda and a soft

power story. Propaganda is what you have to sell hard. Soft power—I get back to my structural argument—is what you have. Sometimes even not selling it is a good form of soft power, because you do not have to keep boasting and shouting about it all the time.

Q27 Lord Foulkes of Cumnock: That is what I wanted Professor Cox to tell us a bit more about: what we say about ourselves. Michael Forsyth might have a different vision from me of the United Kingdom and what he wants to project. You mentioned this building, which is actually crumbling—you should go down the corridor and hope for the best. I would like us to abandon it and move into a modern, effective building that could be more efficient, but that is another matter. You have clarified that there are two things. One is how we see ourselves and the second is how we get that over to whoever we want to get it over to, how we get it to them and so on. Is that right?

Professor Michael Cox: Yes. This may make it very amorphous, but it is not just a utilitarian concept, whereby you have a department of soft power and a Minister of Soft Power, as opposed to a Minister of Defence, for example. It does not quite work like that, which gets back to the jelly-like quality mentioned by Lord Forsyth. It is rather more amorphous, like jelly, to that extent. Often it is not something you have to sell. This is why I made the point with John earlier; it is more about what your society and system are.

Lord Foulkes of Cumnock: We need to define that, for example as democracy and the rule of law.

Professor Michael Cox: Often others will define it for you, without you doing very much about it—although we have lost certain parts of the world and will never get them back.

John Micklethwait: Lord Forsyth is right. You can make this point about the whole of society and the way in which digital ideas are distributed, as happened—and is still happening—in Brazil and Turkey. Certainly what Joe Nye was talking about was a Government's ability to project power, sometimes within its borders but on the whole beyond its borders. I would advise the Committee with great respect to stick to that issue, which seems the most relevant. Mick and I are to some extent arguing over the edge of a pin, because I certainly agree that most of this is cumulative. It is the building, and the things that Britain has done in the past. But there is something new, to do with the interaction of these new things, that makes a difference. The bit I would argue about is that you are seeing some places making a deliberate attempt to project that. China has its Confucius Institutes, which are half-successful. They are deliberate soft-power organisations. They do a bit and give the idea that the Chinese are interested in things. The Chinese are trying to put across the idea that state capitalism is a good idea. But the main way in which China has increased its soft power—going back to what Mick first said—is entirely to do with the fact that its economy has done really well. It is much easier to use this to persuade the leaders of Russia or African countries, or any of the people you meet on an irregular basis. They are lured to China not by the Confucius Institutes but because the economy is doing well and they believe that their self-interest lies there.

From a British point of view, the reasonable question to ask is that we are generally seen—certainly Joe Nye would put this to you—as having been extremely good at soft power. We have good diplomats, the advantage of the British language, the BBC, the British Museum or whatever. We have vast panoply of things. The question now is whether we are still good at it, and I would argue that we have become lazy at it. That is the main thing that comes through to me. I will use the British Museum as an entirely self-interested example. We were looking at why the British Museum should rightfully and brilliantly continue to receive

Professor Michael Cox, London School of Economics (LSE), John Micklethwait, The Economist and Lord Williams of Baglan, Chatham House – Oral evidence (QQ 23-41)

nearly the same amount of money from the Government as it currently does. I should add that the British Museum gets less money in real terms than it did in 1997, and the National Health Service gets twice as much. You can read into that something about the efficiency of states, which Lord Williams was talking about. The point is that I imagined that if you took the wide array of culture represented on this panel and asked any government Minister where they saw the future of Britain and Britain's strength, they would tend to come back and talk about learning, education, the media and museums. They tend to see all those things, but there is no organisation that even puts together a number for how much those industries are worth, let alone begins to campaign on their behalf. Britain generally is rather lazy on all those things. In some ways it is staggering how little we do.

The Chairman: What is it all for? The judgment surely depends on what the outcomes are. If we have grown soft and sloppy about our soft power, does that reflect the fact that we have grown soft and inefficient about our prosperity, trade and international security, because that is what it is all about?

John Micklethwait: I should let the others come in, but I will quickly say yes: it is, by definition. If you persuade students to come here and study regardless of your views on immigration, they tend to be people who are putting money into the economy. If you encourage people to come here to see the museums, watch television programmes, study or go for courses, that is all part of the same thing. It is a huge thing. If you ask most economists what the sources are of Britain's competitive advantage, they come back with the City, the high-tech end of manufacturing and various service industries. Then you come back with this wide array of culture through to learning, I suppose, in which a lot of people are employed already. There is no really cohesive attempt to look at that abroad.

Q28 Baroness Hussein-Ece: I was interested when Lord Williams was talking because I was thinking about what had happened in Turkey and Brazil over the past few weeks in relation to what we are doing in this Committee. I am particularly interested in Turkey: my family background is there. It struck me when Lord Williams was talking about soft power and the way that a message had gone across to mainly young people who were disengaged with the Government and what the Government were doing. What also struck me was the Government's inability to adapt and respond to those who were demonstrating. They seemed to be completely out of step. In fact the Prime Minister started condemning Twitter and social media as evils that were disrupting the country and that it was all a big plot. Ironically, he is a very enthusiastic user of these social networks to get across his own message.

Do you agree that the sort of new soft power of digital and social media networks reach way beyond the borders of a country and a society and holds up a bit of a mirror, as it did in Turkey and Brazil, to the particular society and its institutions? That is especially so in Turkey where there is secularism versus a conservative Islamic government. I wanted you to comment on that because we use these sorts of new network very effectively. When something like that happens, how do we respond now compared with 20 years ago? Are we using these tools appropriately to get across the right messages to help some parts of the world—some of these younger democracies—become more democratic, tolerant and to adopt some of these principles? Are we using them effectively?

Lord Williams of Baglan: Us as the UK? I think on the whole we are. One of the extraordinary things about this country that I always took great pride in when I lived in Asia, the Balkans and so on is the generally favourable way in which the UK is seen. There are an

enormous number of reasons for that. People have referred to the BBC. There are our universities. In the top 50 universities in the world, seven are British. That is not bad. There are obviously many American universities, but when you look at the rest of Europe, only three are in the top 50—two Swiss and one German, if I am correct. Our NGOs have played an extraordinary role. Save the Children was established in 1919 just after the First World War. Oxfam was established in the middle of the Second World War, in 1942. Amnesty International was established at the height of the Cold War in 1961. Many other NGOs dedicated themselves to the care of the disadvantaged within the UK. But what is interesting is that these organisations—Save the Children, Oxfam and Amnesty International—from the beginning, looked overseas. You find very few European competitors like that. That has something to do with the tradition of governance in the UK compared with Europe, where in many countries there were strong traditions of authoritarianism that have not allowed for a full ripening of civil society. I think that we can be proud of our heritage with regard to soft power and proud too that it still makes an enormous impact across the globe. You mentioned the BBC. John is the editor of an international newspaper: its headquarters is here in London. We also have the *Financial Times*, which is another global newspaper. Now you can go anywhere in the world and get the *FT* on the day of publication. Our assets are extraordinarily rich. Whether there is more that we as the UK and the Government can do in supporting this and bringing wider attention to it may be something that the Committee could look at.

Q29 The Chairman: Professor Cox?

Professor Michael Cox: I visited Turkey recently. I was in Istanbul a week before the riots—no connection. One of the things that I lectured on to a group of businesspeople—not Turkish but international—was the question of soft power. It is obviously the case that we are now witnessing a series of disturbances in a number of urban centres across Turkey—in Istanbul, Ankara and one or two others. But what is striking about AKP—a Government with which I do not have massive ideological sympathy—is that none the less it has been hugely successful. It won one election and then it won two more. What it did, which is what a lot of Governments do not do, is increase its vote as it went along. One of the reasons that it did that, quite clearly, was the economy. The same argument that John gave for China works equally well for Turkey. GDP has gone up two or three times. Living standards have gone up by an equal amount. Living standards in poor Anatolian regions have come up. New business groups have come in from Anatolia. It is not dominated by the European elites as it once was. Erdogan himself is very pro-European, and in formal terms, in some senses, remains so. If you look at Turkey in its own region, as opposed to how it is being reported in the West, although I do not know what impact the riots and disturbances have had, it was quite striking. Turkey had an enormous amount of soft power in its own region. There were opinion polls in Egypt and right across the Middle East. You know this, John. You had some in your own journal.

What was very interesting is that Turkey emerged with an approval rating of about 75% as a model of a dynamic market economy in that region of the world which can, importantly, combine some form of Islam culturally and politically with an appearance to democracy. What is interesting about Turkey is the speed with which one can lose soft power as well. The real danger for Erdogan or his AKP Government is the speed at which he may now be losing some of that soft power. Way before, he had enormous amounts of it. That soft power for Turkey was frankly quite an advantage for this country. It was quite a strong advantage for the West. If I can put it straightforwardly, one thing that we do not have very much of is a decent model of how you combine economic development from a religious

state and democracy within that particular region of the world. Therefore, what happens in Turkey does not just have Turkish significance, it has huge ramifications for the region and for us.

John Micklethwait: I was going to say almost exactly the same thing. The interesting thing about Turkey is that you go to Egypt and all these different areas, many of which, we should not forget, did not view the Turks with huge enthusiasm. But in the Arab spring everyone who saw it as a glass half full has seen Turkey as the model to which they are going. You have the various Muslim brotherhoods who have some links. What intrigues me is the idea of whether what has happened in the past two or three weeks has hurt that soft power. What is also interesting is that although you might expect it to be that way, at least some of the evidence of what Erdogan has been doing—economists have definitely felt this—is that you get attacked repeatedly as being part of the western media who are stirring up trouble and interfering in the life of Turkey. If he can pull that off, to some extent, by saying, “Look. I am the person who represents most of Turkey. I’m a democrat”, he might be able to hang on to some of that soft power. The lesson for most countries is that soft power only really works if it is broadly in accordance with what you stand for anyway. If you try and claim that you are something you are not, it is like one of those advertising campaigns: it does not really work. Turkey on the whole—and we have probably all been to Turkey recently—is broadly correct. Turkey is a democracy and it has been reasonably tolerant in different ways. It has helped with the army and done various things. That is not a bad image to project across the Arab world at the moment, even allowing for the really rather awful things that are happening at the moment. So my instinct for Britain, which I agree is a very long jump from Turkey, is that we are strongest when what we are trying to project in terms of soft power is something that is inherently true.

The Chairman: Credible.

Baroness Hussein-Ece: There is a danger. Sitting in Parliament here, we have questions about that region, and we tend to look at it from the western perspective and do not quite see it in the way that Professor Cox described. People from that region or different parts of the world see things in a different way from the way that we do. Incidentally, Turkey uses soft power, as we see from their own soaps, with their own history, which have a huge following and are followed enthusiastically all round the Middle East. Apparently, they have been so successful with people tuning into their programmes. They have used it very effectively in the way that we have been doing for a long time.

Q30 Lord Ramsbotham: I have been reflecting on two things that Michael Williams said. If I can reflect a little before that, I was thinking about the projection of the image and back to the Falklands war when, thanks to a technological accident, as it were, television was not available and everything had to come out by radio. It was very interesting how much better informed people were by the radio than the television, which was presenting a very isolated image. That leads me on to reflect on the image as presented by television because of thinking about the people who are going to receive it. They receive a flickering something, but not a picture. Therefore, if it is going to be used as a weapon for the projection of something, it is almost a propaganda tool. The reason I mention that is because—thinking about Michael’s point about whether this should be co-ordinated, and all three of you have mentioned various disparate aspects of the soft power—last week, when we were talking about it with officials here, the National Security Council came into play as being a co-ordinator. The one thing we are not talking about is security. We are talking about other

things. My question is: do you think this is something that can be co-ordinated and, if so, by whom?

Lord Williams of Baglan: Certainly not the NSC. I think John might have some objections to that. It is a difficult question that you pose. What we have done successfully is that NGOs and institutions such as the BBC, the British Museum and others have thrived in Britain in a way that puts us at a considerable advantage, even with regard to many of our European neighbours, so we are getting something right. That is something we should be proud of. We need to create an environment where these sorts of organisations continue to grow and to flourish. I am a little hesitant about co-ordination, although there might be some cases where that might be helpful. Perhaps, for example, with regard to universities and higher education, there needs to be some co-ordination. With regard to the press and broadcasting, not at all, John would say, and I suppose John is right on that. NGOs are feisty little organisations, and the last thing they want is a degree of political control. Maybe there is more that government can do in creating an enabling environment, both domestically and internationally. We should want to see from Governments tolerance for British soft power, which there is, and the ability for our NGOs to operate in Africa, Asia or wherever it might be.

Professor Michael Cox: I said earlier that the idea of a Ministry of Soft Power or whatever strikes me. This is where the Confucius Institutes go wrong, and a whole bunch of things that China does simply go wrong because it just looks like government and state propaganda and therefore, by definition, people do not believe it. It has to be bottom-up.

There are two ways I think about this—or one way maybe. Always ask the question: what impact has a policy we pursue had on something that we vaguely understand to be jelly-like soft power? We know there is something out there called our image, our reputation, our whatever. We know there is something out there, even if we cannot be very precise about what it is. Ask the question: what impact on this rather vague, nebulous concept are our actions, policies and even our words going to have on the world out there because we live in a world where things go viral very quickly?

I can think of two things, without getting party-political on this, because that is not what you want. First, visas in higher education is a classic case. The policy was pursued, no doubt for good reasons to do with public opinion, immigration and students. We know all about that stuff. The consequence is that out there in the world, in countries such as India and other countries, particularly the rest—and we are talking about the rest later—it does feed in. I have been asked in many countries in the world: “Why have you got such rotten visa regulations?” It makes the country look more closed than it really is. Secondly, it is going to have impacts on recruitment in higher education. It is the unintended consequence. Nobody asked the question, that is what I am saying.

The other thing—I can say this without any interest in my career on the BBC, if it comes to that—is the impact of this now huge soft power institution, particularly of the World Service, but many of the other aspects. Did anybody ask the question? Maybe somebody did and nobody thought it was a very interesting question. It is asking that question: what are going to be the consequences? The worst thing that often happens in most policies is the unintended consequences. Nobody sets out to do things that are counterproductive, but they often are, as we well know. This is true of universities as much as it is of government. It is just asking that question: “What effect do you think it is going have?”, however vague this concept may well be.

Q31 The Chairman: John Micklethwait?

John Micklethwait: Again, I had almost exactly the same notes. I think that visas are just a crime. I am very happily party-political. It is economically suicidal. It is possibly one of the most bananas policies we could humanly have. All you need to do is to talk to businesspeople or, indeed, students in any other country who want to come and spend money here. It is bitterly resented. It is completely useless in terms of recruiting people. You look at something like the recent visa kerfuffle in Brazil. We have just spent a huge amount of money sending government Ministers out there. We then made it virtually impossible for Brazilians to come here, and whatever small plus point there was with all the money going to Brazil was completely wiped out overnight. At least the very first thing that Governments should try to do is do no harm.

There is a second point. There is some element of co-ordination that Governments can do. I was generally staggered by the fact that there was not really any sense of how big were what might be described as Britain's soft power industries—although I was not looking through that particular lens. You could rapidly get 200,000 or 300,000 people being employed in them without even spending more than half an hour on Wikipedia. That is considerably bigger than a lot of industries that receive a lot of government attention.

I suspect that it comes as no surprise to readers of the *Economist* that I am not pro state subsidies in a massive way, but it is interesting that these institutions tend to get cut more than other ones. So at least from that perspective I would take the attitude that that is part of Britain not thinking about these things. You can go the other way and say that France takes a very positive attitude towards these things and does not always get it right, but if you were trying to look at any long-term version of British competitiveness—not just to do with projecting soft power but also in terms of economic competitiveness—you would at least be trying not to do harm to these industries. That alone would be a mild plea from my end.

In terms of security, it strikes me that if you give the issue of visas to the security people, then, on the one hand, I cannot imagine them being in a rush to grant visas to young Arab students at this precise moment but, on the other hand, in terms of Britain's soft power, that would be a big and wonderful thing.

There is one tiny thing on Turkey that I should like to come back to. I should have said that a large part of Turkey's soft power within the region has been the fact that under Erdogan it has got considerably more hostile towards Israel. If you look at the way in which soft power is built by some powers but not necessarily by Britain, it is in large part in the definition of hostility towards other people. A lot of China's soft power in Asia comes from its hostility to Japan. You could follow that in different areas, and that is another way in which you encourage it, although I am not necessarily recommending that you go down that route.

The Chairman: Is it also about who your friends are? Turkey having moved somewhat away from America, would you say that the same applies to us?

John Micklethwait: That is a very good question and I will give you a personal answer. From the *Economist's* point of view, I think we have always had a mild advantage over American competitors in terms of the coverage of foreign events. If you are an American news magazine, you run the risk that America always has a dog in every fight. There is no issue anywhere in the world where America is not heavily implicated one way or the other. There are some areas where we get criticised, and no doubt the BBC does as well. Very occasionally you get the aspect that you are trying to reintroduce colonialism or whatever, but on the whole most people do not see us in that light. So I think that there is an advantage for Britain in this area because we are not seen—however reluctantly by your

Lordships—as a global superpower. We are seen as a kind of cultural force, and one which is close to America but not having exactly the same goals.

Q32 Baroness Prosser: Can I go back to the business of digital communications? While I agree, of course, that the use of such tools has been hugely beneficial in co-ordinating activity, it seems to me that the most important thing that has come out of such development is the ability of people in quite remote and often relatively underdeveloped areas of the world to find out what is going on in many other areas of the world. There are lots of situations of which people would have been completely ignorant a number of years ago but they now know about them almost immediately. That must impact on the way that such people feel they are being treated. Why do we not have the opportunity to speak about all those kinds of things? Given all that, what do you think the impact is on ways in which we should be delivering and developing soft power from this country? Thus far, we have listened in the main to people from government departments. They have been very knowledgeable but, personally, I did not think that they were hugely imaginative about ways in which we could develop such programmes. I do not know what you think. Professor Cox, you said that soft power can come quite quickly but can speedily be lost. What do you think the impact of all this is on ways in which we ought to move forward?

Professor Michael Cox: To be perfectly honest, I had not thought of the way in which we—the UK—or government should respond to this. Perhaps my colleague can say something on this and I can think of some other things. Going back to the original question, certainly the impact that this is having on, say, economic development, is remarkable. After all, in large parts of the world you do not have laid down cables everywhere; you have to go through cellular phones and mobiles. Communication therefore becomes very important. A huge amount of entrepreneurialism, both potential and real, is emerging in countries such as those in sub-Saharan Africa, and it has emerged largely through new digital forms of communication, including cell phones and mobiles phones. More and more business and more and more transactions will happen in that way.

The downside of that is that Governments then do not feel that there is any onus on them to develop infrastructure. That is a negative. How this country could develop this I will leave up to others who know much more about it. The other day I was having a very interesting discussion with somebody about what the British economy is. I am not an economist—I am at the London School of Economics and Political Science. It was quite interesting. We got into a discussion about what the British economy is per se, and yes it is the financial sector, which we know about, and yes it is the service sector, but what we now think of as industry is actually high tech—it is the new technologies. You have only to travel in and around Cambridge and many other parts of the world. Yesterday, I drove past Harwell. This is very advanced, and we are in the forefront of these areas. I do not quite know how government or departments have thought about this but we have a massive advantage here.

There is another thing that falls into both soft power and economic power. For reasons that I have never fully understood, this is a hugely creative country. We are supposed to have a rigid class system but somehow or other it got bypassed. There is the creativity of the music industry and the arts. London is an exciting city to be in. Others are maybe more beautiful and more classic, without naming names, but London is very exciting and innovative, and part of this goes back to the question of innovation technologies and nanotechnologies, and music. Young people like coming to this city and they find it very exciting precisely in those kinds of areas. Again, I shall leave this to others to think about. Given those advantages, are we taking enough care of this? Are we developing it? Could government do more to

facilitate that? Frankly, at the moment I suspect that we are not. This is something that comes from the bottom up in a fundamental sense.

Lord Williams of Baglan: I will echo if I may John Micklethwait's statement with regard to visas and so on. Universities are such a critical part of this country's infrastructure, nationally and internationally. We are putting at stake our present, very strong position. We have more universities in the top 50 and the top 100 than all of Europe put together, and this cannot be sustained with the present visa regime. People will eventually go to their second and third choices if they cannot get in.

Q33 The Chairman: I do not want to get into hot issues on this side at this moment, but how does that compare with your impressions of what happens in America, France, Germany, Japan or Italy? Are we notably tougher and more awkward? Are our numbers falling rapidly faster than those of other countries, or is this just a sort of sui generis argument?

Lord Williams of Baglan: Others will know more, perhaps Michael in particular, because he is an academic. Certainly, in the US it is easier to get in. In certain subjects, for example in the sciences, if you get a PhD that automatically puts you in line for a green card and citizenship. Am I right, John?

John Micklethwait: To be fair, America has problems as well. The high-tech companies have, quite correctly, gone crazy about some of the problems that they have had there. They also have a nativist element, if I can put it that way, which has caused them substantial problems, as you can find from anyone in Silicon Valley. The truth is that our rules are tougher than those of most European countries. So it is true that it is easier to go and study in Germany or France. But, for the reasons so ably spelled out, the figures are that out of the top 20 universities in the world three or four are British and the rest are all American. A century ago, if there had been a list of universities, you would have found, at the very minimum, four or five of the big German or French ones. People do not want to go to those places. The added problem at the moment is that, if you are in India, you face at least some degree of more competition from domestic institutions. You can get more engineering degrees, for example. China is building universities like anything. All those things represent different versions of competition.

I would perhaps be more positive and say that, if you look at the world at the moment and guess at industries going forward, at least some of the evidence is that, after about 20 years of it supposedly happening, the influence of technology on education, which has previously always been exaggerated, is one of those areas that seems to be just beginning to take off in a substantial way, particularly in America. It is not just British universities but British private schools that are doing fantastically well around the world, and are seen generally as being of an incredibly high standard. How people make money out of that is a difficult question for the Committee, which I can give a vague economic answer to. London is a large part of this, and the difference between London and the south-east and the rest of the country matters enormously. The fact that London is so cosmopolitan is another reason why people want to come to this country. That makes a big difference, to the extent that government policy is steered by that.

Professor Michael Cox: Without going into too much detail on the facts and figures, I did an analysis last year of the *Times Higher Education* top 500 list of universities around the world. My goodness, that was pretty dull. What was amazing, though, was that the fundamentals are, if you take the top 100 institutions in the world today, 89 of those are definably in parts of the world that we would call the West, with the United States a long

way ahead of anyone else with about 49 of them. We have about 17 in the top 100. The English-speaking countries do pretty well. Canada and Australia also do well here. Continental universities the other side of the channel do not do too badly—the northern Europeans, largely. What is remarkable is that soft power is also about language; it is a linguistic power. There is no way around that. Linguistic power is part of our advantage.

The Chairman: Did not I read at the weekend that the *Times* index of universities put the Japanese, Hong Kong and South Korean universities at the top of the list? So things have changed.

Professor Michael Cox: Let me be absolutely precise. Only two of mainland China's institutions rank in the top 100, and both are in Beijing. Only two of Japan's universities rank in the top 100. That gives you four of the Asian universities. All the rest come from Hong Kong with three, Singapore with two, three in South Korea and one in Taiwan. In other words, all the countries in Asia that have done particularly well in higher education, using these criteria of excellence in research and teaching, along with globality, tend to be in those parts of Asia that have had the longest links with the West. This is not a political or post-colonial point. It is remarkable that the Asian countries that have done so well economically do not do very well in measurements of international higher education. This one does remarkably well, for all sorts of reasons—but having the language is a significant part of soft power.

Q34 Baroness Goudie: I wanted to come in on a quick point on the question of whether we are getting lazy. I thought that we were on the basis of evidence that we had last week and the other week. People said, "Don't worry so much. We've got 10 years extra, on the back of the Olympic Games". This I do not agree with at all. I felt that it was making some departments sit on their laurels and not really do anything. We know that a number of emerging countries are working very hard and that we need to work much harder because we are living in the past, not in the future. I know you have touched on that a bit this afternoon, and I have found your evidence a breath of fresh air.

Professor Michael Cox: I think the success of the Olympics was almost an accident—let us be blunt. Prior to the Olympics, everybody was talking it down; nobody said that it was going to succeed—they said that everybody would be stuck at terminal 5 for three days. There was a real talking down of the thing. Then bit by bit we discovered that we had done something rather good. It started with the opening ceremony, then we started winning medals and people started to really enjoy it. There was the wonderful set of volunteers all over London, making London such a great place to be—and I love London generally. It is total nonsense, because an Olympics is a one-off, and what followed was a one-off. It was great, but it will not last forever.

Baroness Goudie: That is why we have to move on.

Professor Michael Cox: Definitely.

Lord Foulkes of Cumnock: I have found what has been said very interesting and eloquent. The only problem is that it has not helped us to narrow this down. It has only indicated how wide the area is. Can you help us by narrowing down where we can add value and be useful if we pursue it further? We have hundreds of potential witnesses, but it would be really helpful if you could tell us the areas in which something might be said and done, and we could follow that through.

John Micklethwait: I will go first, although I am going to sound a bit repetitive. Basically, you have to look at this from a global perspective. Britain comes to this with a huge number of assets; it is not just the English language. I will use a tragic British Museum example, when it sent the Cyrus cylinder to Iran, and 1 million Iranians go to look at it. That makes a complete transition in the way in which people think. The digital thing makes it different, and this is true of quite a lot of British cultural assets in soft power. In the old days you could ask why London had this collection of things for the world which the world cannot go to see, but now two things are happening. First, those assets go round the world, pretty much constantly. Secondly, people can come through digital means to see it. So there is an element whereby we come with all these things and this huge history of democracy, and there is a vast amount of that sort of thing that Britain has. That would be one argument—that you open that up. The second one, where I am going to sound repetitive, is that you tell government to get out of the way, when it is doing things that are fundamentally deleterious to that long-term thing.

Q35 Lord Forsyth of Drumlean: You have emphasised our cultural heritage—democracy and all the good things about Britain—but everyone has said that China is a good example of a country that uses soft power because its economy is strong. I can think of fewer examples of countries where democracy, the rule of law and human rights are less in evidence than China. So what are we saying here? Is it about projecting our values, or about using the assets and comparative advantages that we have to advance our economic position, which is what China is doing? I am with Lord Foulkes. We have to be clear about what our objective is—and if it is just to make people feel good. You gave the example of providing these artefacts in the museum, and how 1 million people came to see them. I wonder how many of them thought, “How did the British get these and why are we not getting them back?” There could be a double-edged benefit there. So what is the answer to Lord Foulkes’s question? What should we be doing? To my mind, it is about working out where we have a comparative advantage and using that to get business and trade. Is that too narrow?

John Micklethwait: That is a bit narrow. At the very minimum, what we are saying to you is: “For God’s sake, do that”, because you are not doing it. That is the point. You are not even beginning to use the mentality of the people who deal with this is not to think about these assets that we have and which make a difference to soft power. If you look at the soft power around the world—this is not my shtick—and if you look at what we are doing with visas for students, that makes a big difference. We have by any measure an outsized education capacity in this country and people who are willing to come here and spend a lot of money either on pre-university education or university education. To quite a large extent, we have a Government who make that very difficult. That goes for both parties. From the point of view of projecting soft power, that would seem to be not an altogether helpful starting point.

From the point of view of the rest of these things, I think it is to some extent a matter of government realising what is there. Government comes at this very much from the perspective of thinking of our industries, such as car making. It is from that angle. The strengths of the British economy have moved, and I do not think government has. I am not pleading for more money or anything like that. I am pleading for some degree of ability to recognise where they are from. At the moment, the Department for Culture, Media and Sport is seen as a place where you spend a bit of money; is not actually seen as a profit centre. I would argue that it is a huge profit centre for this country.

Q36 Baroness Morris of Bolton: This has been touched on, but I still think there are some interesting answers to come out of this. John said that we come to this with a huge number of assets, but we have become rather lazy, to pick up what Baroness Goudie said. Around the world, a lot of our old friends think that we have rather taken those friendships for granted while at the same time there have been new players coming into the market who have been very active and effective. I wonder to what extent traditional powers are being confronted by a rise in the rest in terms of rival states.

Lord Williams of Baglan: There is quite a lot to that. The question to my mind is more that the UK and others are being challenged by the rise of the rest, the likes of China, India, Brazil, Turkey and South Africa. It is not because of those countries' capacity with regard to soft power; that is a small element. It is largely and overwhelmingly because of their extraordinary economic development, and with that has come political and military power for some of those countries, particularly China and India, which are both nuclear powers. It calls into question things like the Security Council of the United Nations which essentially has not changed in 70 years, since the Second World War, and whether that is a model that can endure indefinitely. There was one minor change in 1965 when the number of non-permanent members went up from six to 10. How much longer can one go on without countries such as India, which is the most populous country after China, and Japan, which pays about 2.5 times the funding that the UK contributes to the UN? How much longer can they be excluded from the halls of power, as it were?

Professor Michael Cox: There is a long and a short answer, but you want the short one. "The rest" is a term that Fareed Zakaria coined in his book some time ago. The rest constitute largely non-western powers, and that is the challenge. Many of the countries we define as part of the rest are countries that either stood outside the world order, challenged it or were even fundamentally opposed to the world order, if you think of China and Russia and India, in a certain sense because of the socialist traditions and, historically, its admiration for Soviet-style planning. The challenge—rather than confrontation—of the rest in this loose sense, including Turkey and others, is that we are dealing with countries that are, in a sense, in large part, although not completely, joining up to an western economic order but are still non-western powers. Therefore, they have certain ways of looking at the world which are not western in any simple sense. China is the most obvious example, but it is equally true of India, it is certainly true of Russia and it is even true of Brazil. It is certainly true of Turkey. All those countries are coming at us or coming towards us with a different set of assumptions about how the world ought to be organised. This was the original point of Jim O'Neill's notion of the BRICs. It was not that there are countries which are growing economically, but that we will have to change the foundations of governance in order to accommodate them. That is the challenge.

The other point I would make about the rest, which are changing international relations economically, is that I still find it interesting that once you start doing some of the straightforward analysis, much of what I would call power—military power, soft power largely and even a large part of the economic power—still resides in that part of the world that we call the West. I am not sure how we answer this question; it may be too academic. It is really quite remarkable how much speaking up of Asia there has been—if I might put it like that—and talking up of the Asian 21st-century idea, when, in fact still today the greatest amount of economic activity occurs transatlantic. If you are looking at foreign direct investment, it is still primarily transatlantic. If you are looking at some of the biggest corporations in the world, they are still 65%, 70%, 80% transatlantic. The question is how you marry or bring together—maybe John has some thoughts on this—the notion that we

are living in a world that is changing, evolving, moving towards the rest but where power in those sorts of senses still remains very much embedded within more traditional western power. The trick is how you draw those countries in, how you give them incentives to co-operate to become part of this order and ensure that they have fewer and fewer incentives to stay outside of it. How you play that game with them and what role we play in that is a much larger policy question.

John Micklethwait: My answer would be that the rise of the rest is inevitable, that we are bound to lose soft power to them to some extent, and that that is a good thing. Sadly, the single most amazing thing from the past 25 years, when historians come to write about it, will not be the various things that happened in the West but the fact that a billion people jumped out of extreme poverty in parts of the rest of the world. That was the biggest thing that happened in all our lifetimes—or the lifetimes of most of us. We may dispute it, but that is bound to happen. From a geostrategic point of view, if you are Barack Obama, by the time you have left the White House, if you have not cemented Brazil, India and above all China into some version of the world order, you could argue that you will have failed. It is possible, if they do not bring China into the system, that it will be much harder going forward. There is a big thing there, and Britain could play a role, although you could not claim that we are the people pulling it: that will always be the Americans.

The question to ask, now that the debate is moving from what Britain does at home in order to increase its soft power to what it does with diplomacy, is not whether we are shedding power to these people, because the answer is yes, we are bound to, because power to some extent has to reflect economic reality. The question is whether we are doing as well as we could. When you look at these powers—Mick pointed towards this—they are not challenging us in the way you might expect. It is not just to do with the West having more powerful soldiers and better armaments. The Pentagon's budget is still colossally bigger than anything even the Chinese have on offer. It is still noticeable that the Chinese are still very scared of the Japanese navy, whatever they say about the islands. China, at least to itself and largely to the outside world, is still so focused on what is happening at home that its ambitions to go global are linked slightly to its need for resources, but not much more than that. It has never had a vision of itself that extends much beyond its region. One can read Henry Kissinger on that.

India, again, is a pretty regional power. I heard a statistic, which I hope is correct, that India has fewer diplomats than Singapore. It does not project power in a particularly hefty way. Brazil is a very regional power, if that. It does not throw its weight around, even in Latin America. South Africa is the same; it operates very much within Africa. That leaves Russia, which is an old-style European power. If you put the other four against Russia, you do not see a diplomatic challenge in terms of soft power. I would argue that in the way in which we treat ourselves against those powers, we should be more circumspect than just saying that they are doing well. The answer is that they do not want to invade our space that much to begin with. We should certainly ask ourselves big questions about why we, out of all the powers around the world, sell so little to China.

Q37 The Chairman: Are we losing out on the power to convey our message? What about Al-Jazeera and all the new organisations springing up? You painted a picture of the system and them not coming into it, but are there other systems that we are not going into? I am quite surprised that you feel that it is still such a western-dominated world when all these new realities are emerging.

John Micklethwait: We are all arguing that the balance is changing, but even in the purely economic way in which it is changing, you have to query the numbers. Yes, China is on course to become a bigger economy than America, and that will make a difference, depending on how you measure it. But by any measure of income per head, China is going to be behind for 30 or so years. Just the other day, I was reading a book by someone who is extremely good at soft power, whatever his other attributes, namely Lee Kuan Yew. He makes the point, despite spending a lot of his life warning the West that it is decadent and running out of time, that China will spend the next 20 or 30 years trying to catch up with America on the pure economic side. He is extremely close to the leaders of China and his view is that they take the same attitude. So it is a more nuanced picture in terms of political power than it is in terms of purely economic power. If you look at the British viewpoint going into that—I am almost clinically trying not to look at things from a British point of view—yes, we do have superb diplomats and very good soldiers and a network throughout much of developing Asia that many people are highly envious of. But you could then ask how much power we wield, why Lee Kuan Yew has influence in places where we do not seem to have it, and why other people are able to sell so much more to China when we have this huge heritage there. Those are decent questions to ask from a soft power point of view.

Baroness Hussein-Ece: Given our networks and institutions, and the historic influence we have had, do you think we are now waning, and that the way we are doing things is not keeping up with the new changes in the world order, with the emerging powers and people coming together in the Middle East, the South Pacific and South America? Are we failing to adapt and make the most of our soft power? Professor Cox said earlier about the success of the Olympics that it was an accident. It seems to be a national pastime that we talk ourselves down all the time. We do not promote ourselves in the way that we should. We seem to have lost confidence. If a Martian landed and looked at our media, they would think from reading the headlines in some of the newspapers that we were all going to hell in a hand-cart. Are we just talking ourselves down, or have we not moved on and adapted?

The Chairman: I will add one more question on that theme. I was asked at the British Council the other night whether I thought the GREAT Britain programme of self-promotion round the world was a good thing or a bad thing. Being a politician, I gave an ambiguous answer. What does our panel think about GREAT Britain, given what Michael Cox said earlier about the dangers of drifting into self-puffery, boasting and propaganda?

Professor Michael Cox: I lived for four or five years of my life in Scotland, 20 in Ireland, seven in the great nation of Wales and I am now back in London. We have the upcoming referendum and devolution and various issues like that. This brings us to the area of the role of history. What is the story we want to tell about our own history? It is an extraordinarily important part of power. What is our narrative about ourselves? This is where we may have lost some of our confidence—and maybe for good reason. The history we used to tell ourselves was somewhat self-congratulatory.

Baroness Prosser: Lord Chairman, were you talking about the GREAT Britain campaign?

The Chairman: Yes.

Professor Michael Cox: I am linking it to a larger question. If we are to have a campaign about Great Britain, we have to know what we think Great Britain is. Part of that has to be defined by the history that we tell ourselves about these islands and the various parts of this island nation. Having lived in different parts of this conglomeration—this kingdom—I find

that very different stories are told. This is why I have grave doubts about putting a single narrative back into this. Telling multiple narratives about a complex, multinational structure we call the United Kingdom of Great Britain and Northern Ireland is far better, warts and all. That is equally important. If we tell a Putinistic history—which he is constructing quite deliberately in an almost Stalinoid attempt to rewrite the whole history of imperial Russia—people will not believe it, and it will tell against us in the end.

Q38 Baroness Nicholson of Winterbourne: I should declare my interests, so go to sleep for a minute. I chair the AMAR International Charitable Foundation, which is an NGO, separately registered, working in the UK, the USA, Iraq, Lebanon and Yemen. I chair the Iraq Britain Business Council, again as a volunteer. It is an NGO in Iraq and a not-for-profit charitable company in the UK. I chair the Booker Prize for Russian Fiction, which is an NGO registered in Russia. I am President of the Caine Prize for African Writing, which is a charity registered here, and a Vice-Patron of the Man Booker Prize for English Fiction. I am the chairman elect of the supervisory board of the Joint Leasing Company, Azerbaijan. It is a fee-paying post that is just about to start. I chair—again, this is unpaid—the Asociația Children's High Level Group of Romania and Armenia. I am a high representative for Romanian children. I am a board member of the strategic development board of the Durham Global Security Institute and a board member of the Global Warming Policy Foundation. I think that is enough for the moment. Could I possibly ask a question now?

I am looking for some definitions of Britain's success. If the term "soft power" has any validity, it should enable us to clarify how we see Britain being more successful than we are at the moment. As Mr Micklethwait said, the City is one of our trump cards, and I would suggest that the soft power that Turkey has been exercising comes from its very strong membership and former secretaryship of the Organisation of Islamic Co-operation, and also from its 10% growth rate in recent years. One definition of success in the use of soft power might be the building of international trust. When push comes to shove and there is a problem, it is the country that trusts you and has confidence in your judgment that will come to your aid—or you will go to theirs. Inherently, I suggest that this is where Lord Forsyth's example of China gives us a pointer. The trust of the Chinese in the country in which they are investing is not desperately high, whereas when Britain and some other western nations come, we employ locally, build locally and engage in institution building, which shows that we have the good of that country at least partly in our hearts. I suggest that education and universities are something that you can identify very clearly, because our ethics and values are well demonstrated in our tertiary education system. I suggest that that is why it is so popular. I question whether at the moment the NGO world can be seen as helpful in governmental policy terms in this way. Lord Williams pointed out with some pride the splendid record of the UK. Of course, it is not a unique record. Ahead of us in per capita giving is the Netherlands. The terrific volunteering ethic of the USA outstrips us in many ways. They are much better grounded in that sense. There is much less government intervention and much more big society in the USA than in anywhere else I know on the globe.

On top of that, the Nordic Alliance is absolutely superlative. Of course, the western nations other than the USA began their NGOs at the same time—or earlier, in the case of Switzerland—but these were then pushed out by the First and Second World Wars, particularly the Second World War. Now NGOs are seen by a number of countries—Russia is a clear example, but there are others—as having become merely a weapon of foreign Governments and funded by them. I wonder whether our use of NGOs in the UK as a soft

power tool is any longer good and wise. The communication revolution seems to be the heart of this: smart power rather than soft power. As for definitions of success, have we done anything at all on this in our foreign policy? I do not think so. The Government have rightly put trade and aid at the heart of our policy, but is the communication world not the exact tool that we should be working on? Could we not be sharper in judging ourselves, and make some goals that we could try to meet through the use of soft power, with the purpose of making Britain more successful in every way we can?

Lord Williams of Baglan: I go back to my initial points. We are very strong in soft power, whether we are talking about the NGOs that you referred to, the universities, the media, or arts and culture. They are not only of global renown, but our soft power has global reach. There is no comparable soft power in Europe. Of course, we are aided by the fact of the English language. You are right to talk about countries such as Norway and Switzerland, with their own proud heritage in this regard. But their work is in the NGO field, and that is just one part of our cluster of soft power. This is something to be recognised. We ought to think about what more can be done to reinforce it. We raised the practical issue of the universities, for example, and the effect of the visa regime. Our weaknesses, of course, are in large part economic. When the Security Council was formed and met for the first time in Methodist Central Hall in Westminster, in January 1946, Britain was the second economic power in the world. Now I think that we are the seventh largest power, which is still pretty high, but we do not have the economic strength that we had in the past. Moreover, there is something peculiar about our economic strength. John alluded to this. Why do we export twice as much to the Republic of Ireland as to China? Why have we consistently failed to be an economic power of global reach? That is a broad statement, and there are several outstanding international companies that are British based, but there is a real issue to be recognised. There is also a political issue in the period ahead. We face the probability of not just one referendum but two in the space of four or five years. That will be very distracting to the projection of British power, whether soft or hard, in the world.

Q39 The Chairman: That is touching on some very much wider areas that we will have to address. The Committee will call witnesses to deal with where soft power and hard power forces and flows meet, particularly in dealing with military interventions against irregular warfare and terrorist activity. Obviously the Americans are giving the same sort of thought to that, and suggesting that civilian power should be at the forefront and should spearhead all military operations. It is a revolutionary thought. We will come to that.

Professor Michael Cox: I will make two quick points. Some of this is slightly repetitive. I think that there is a correlation, although I am not sure where the causal link lies, with why Britain is such an attractive place for foreign direct investment. It may be that our workers work harder than the Germans and speak more languages than the Norwegians, but, going back to our vague notion of soft power, here it includes the rule of law. It is a relatively safe and stable country to be in. British people by and large—although sometimes less large these days—tend to be quite polite and nice to foreigners, strange though that may sound to some people. And we have fairly good schools. Frankly, that is why foreigners—not just poor ones but rich ones who want to invest here—want to come here. Forty per cent of US foreign direct investment in the world, a good part of which comes to Europe, comes to the UK. Between 250,000 and 300,000 French people now work in and around London. These are measures of success, and they are not just because we have better labour laws or because our workers work harder. There is an environment in which people want to live, and to which they want to bring their wives and children. That is what I would call soft power, and we have been pretty good at it. Our education system we have talked about. I do not want

to sound self-congratulatory, but the statistics and facts speak for themselves at various levels. Paying a compliment to John, we have the two publishing outlets in the world that are deemed to be not British but global, namely the *Financial Times* and the *Economist*, which have no significant competitors. These are measures of success. It is not just a question of economics. Part of the success in attracting foreign direct investment, productive immigrants and productive business people to this country must correlate with the underlying structures of the civil society and the kind of society that we have created.

John Micklethwait: I shall try to answer the questions of the two Baronesses. I apologise for not doing so earlier. I will try to list the bits of soft power. There is diplomacy and the military, and education and the arts. The media comes in somewhere, and the whole element of democratic institutions—into which, arguably, some of the NGOs fit, as being part of the institutions of politics. I will say one quick thing about economic power. There is one way in which we beat ourselves up too much. A lot of the world comes to London to do business. Law is a very good example. It is not just the City. It is also the case that Britain has more influence in Asia. For instance, Jardine Matheson is by some measures Indonesia's biggest manufacturer. That would not appear anywhere in our export figures, although possibly they may not thank me for saying that. Our problem with exporting is the lack of a *Mittelstand*. We do not have enough medium-sized companies that are good at exporting. That seems to be the core of it.

On the softer versions of soft power, we have three bits. The first is that we have a much more international mindset than most other countries. Yes, there are elements of British life that are incredibly local, but in general we have always been more interested in the outside world than most people, for reasons of our maritime history or whatever. The second is that we have generally been liberal with a small "l", and a safe haven for people on the run from different places—not, sadly, American leakers at this precise moment, but we have been in the past. One of the things we stand for in the world, and certainly in Europe, is a liberal economic outlook in different ways and shapes. The third point is trespassing on what you said. We are seen, on the question of whether we are close to America or part of Europe, as being conveniently close to both those things. People very high up in China will give you a long lecture about how awful the Europeans are, with the exception of the Germans. They include the British not as honorary Germans, sadly, but as somehow not quite part of Europe. To that extent, the Channel is quite a wide ocean, and it gives Britain a distinctive feel.

On the question of how you measure this, the answer must include some elements of economic trade and foreign direct investment. Secondly, there must be an element of popularity, which is simple to poll. The third one is somewhat less easy to measure but I suspect is still to some extent analysable. It is our ability to get people to do things that they would otherwise not want to do, and which they are not just doing for reasons of hard power—in other words, it is not just because our gunboats are appearing in their harbour but because they think that it is generally in their interest to be nice to us. That is the hard edge to diplomatic soft power. There is some element at the end of this of access around the world to British institutions. If we have these assets and do not use them, it is a negation of soft power. This is where the visas come in. What is interesting about soft power at the moment is that there is some element of recalibration because of digital technologies that allow you to reach people in ways that you did not before. I see it in my industry and in various other institutions that I have looked at, possibly including this one.

Q40 The Chairman: I will ask our expert panel to give some final comments. The message seems to be that we have all these assets and are extremely good at soft power.

We are top of the soft power index and our influence is everywhere. Considering that we have invaded practically every country on earth, we are still remarkably popular. But somehow we are not quite achieving it. Our inward investment is excellent, but our trade performance is not up to what it has to be for us to survive, and our influence around the world in some areas—for example, in persuading the Russians to do things or other countries to see our point of view—is not as good as it should be. That seems to be the point.

Baroness Armstrong of Hill Top: I wanted to ask how the UK might find a workable balance between hard and soft power, but you have sort of answered that. However, it seems that what you were saying before about the state or the Government not causing problems is a huge part of this. Actually, it is a bit more than that. Now, so many people internationally—thinking about people who use social media—want a channel that is not the state. They want to operate in different ways. This is where I disagree with you about the Olympics. It was a perfect example of where the state had to be centrally involved, but it was successful because the state representatives knew that they could not be seen to be in the forefront. They had to make sure that the structures were there and that the stadiums got built, and they appointed people to do that, but then, quite bravely, they gave over to Danny Boyle, who did the opening ceremony, and others to give a view of Britain that was quite challenging to the state. I think that the Committee has to come to a balance between hard and soft power, and how the Government enables soft power to get further to the front, but without losing control totally. That is the space we have to come into. Perhaps in your summing up you would think about that.

The Chairman: That is an excellent final summary question. It could not have been better. Could we have your expert views?

Professor Michael Cox: Perhaps I can jump in on that one. When I said that the success of the Olympics was an accident, perhaps I used the wrong word. Possibly it was “unforeseen”.

We did not realise that it would be quite so successful. I was walking around this city for two or three weeks beforehand, and Londoners seemed to be leaving London rather than staying for the Olympics. The more significant point that we will agree on is that the image of Britain—this gets back to the history question I mentioned earlier—presented at the Olympics, through Danny Boyle and subsequently, was perfect soft power, to put it bluntly. It was self-critical. It did not look too establishment. We had nurses jumping up and down on National Health Service beds. The Chinese did a very different kind of soft power in their Olympics. It was a projection of state power. Ours was a very self-critical reflection. It was a combination of Dickens. Afterwards, a lot of my Chinese friends said to me, “What the hell was that all about?”. It really was quintessentially British. I could not imagine the French doing it in the same way, for rather different reasons, and I could not imagine the Americans doing it like that. What was distinctly British was that it was self-critical. It slightly came from below. Here we do agree. The Government did put a lot of money into it. It led from behind, almost, and in the end it turned out to be a massive success. When I said it was an accident, I did not mean that in a pejorative sense. Many people were taken by surprise that it was so successful. In my answer to the other question on the Olympics I said that we cannot build on that and say that it will be the be all and end all.

I will make two final summary points. Lord Howell raised the point about balance. You cannot be successful using soft power alone. Joe Nye never thought that soft power was a substitute for other things. I will not go into the background academic stuff, but he was

having a debate with a man called Paul Kennedy—another Brit—who had written a book saying that America was in decline. Joe came back and said that America was not in decline, that it had a lot of military power and strong economic power, and that it had something else that we do not talk enough about, which is soft power. He always believed that soft power was not a substitute, but had to be related to and connected to the other two forms of power. He was saying something else as well. It is difficult to define because you cannot measure it in terms of military budgets and GDP, but it makes a fundamentally important contribution to aspects of hard power. In other words, if you want to do military things abroad, it makes it easier if you have good soft power. If you have good soft power, it will help you grow economically. Nye is trying to bring all those things into a complex analysis that is not easily measurable.

Q41 The Chairman: Lord Williams?

Lord Williams of Baglan: I agree very much with what Michael said there. It is not just a question of economic power and soft power. Germany is a much stronger economic power than the United Kingdom. That is simply a fact. But has Germany had the influence that the United Kingdom has had globally? I would say not. By a considerable mile, we are in advance through the array of institutions that we have talked about, including the media, NGOs, universities and so on. That is something we should do our best to try to protect. It has been difficult for us as a panel to answer the question put by Baroness Armstrong about how a Government should enable soft power. We have identified one particular issue, which is the visa regime. It is a rather draconian regime that has been placed on some of the world's best universities. Wider than that, I am grasping to find recommendations for how government could enable soft power. Almost by definition, soft power is and should be independent of government. I welcome the fact that within six months, the BBC World Service will be free of the Foreign Office and will be funded directly from the licence fee—which, incidentally, is how it was funded for its first six years. It was only because of the Second World War, for very good reason, that in 1938 the Foreign Office took on the World Service.

John Micklethwait: I will go back to the concept of soft power. Lord Williams is absolutely right: it is a non-governmental force in general, and its impact comes through best if it is not seen as pushed by government. On the West Bank, for instance, you will find the influence of Hollywood and Silicon Valley considerably more useful for America's image in the world than troops. When I said that we were lazy with soft power, I was referring to an accumulated complacency, for all the reasons we have gone through. If this gathering were in Paris, I guarantee that there would be a vast number of people pushing every available thing, because the French have to work really hard at this. I see it from the British Museum's point of view in the vast amounts of help that the Louvre gets. The French have to work hard because they do not have the advantage of the English language, or the same ability to sometimes piggy-back off the Americans. Trying to define yourself against that is quite difficult. In terms of things that government can do, we have all mentioned visas. The sort of things that fit in to soft power are things such as broadband. If everything we say is correct, broadband must make a difference in access to education, the arts and culture, and our ability to sell these things everywhere. Heathrow and other British airports make a huge difference. We are not talking just about students. The people who get angry with our soft power are people trying to get in. The Chinese who are cross about trying to visit this country, and the tourists who do not come here, do not come because we are not part of Schengen. Our inability to work out some accommodation on that with the Chinese strikes me as a straightforward piece of self-defeating inefficiency. There must be some degree of

co-ordination. I have tried to say that a couple of times, but there simply is not. There are three people here and we have been able to put across a vague idea of the different ingredients of the cultural complex—I was about to say the military-industrial complex. American and European politicians think we have a much firmer grasp of these things than we do. In fact, we have virtually no numbers and no real co-ordination. We should be prepared to stand for a liberal point of view. That is worth something, and part of what we are. I have a hunch that London is absolutely crucial. What it stands for more than anywhere—by some measures more than New York now—is that it is a multicultural, cosmopolitan city. That helps the new version. The Olympics thing sort of worked, although I talked to South Koreans who found bits of it completely unintelligible. The bit that came through rather strongly was that Britain was not the same as before. Some of Blair's Cool Britannia stuff, whatever its many defects, carried the same message. People come to London and realise that it is not like the Sherlock Holmes movies. That has changed considerably. On what you do about soft power, we are all slightly grasping around this digital idea. Where is digital technology colliding with those areas that we talked about as being part of our soft power? It is colliding with defence and security. This is where you get into cyberwarfare. It is certainly—I should have pushed this harder—beginning to collide with education. There is now a real opportunity for people. The teachers of the future will possibly be closer to being tutors, with most of the teaching done across computers. That is beginning to happen in America. If we are so good at education, why are we not more prominent in that? Digital technology colliding with the media is something that I have to deal with. In a variety of different institutions the means of doing things are colliding with them, and the ways in which government can help may be illustrative. That is the best I can do.

The Chairman: Right. You have given us enormous food for thought—plates and plates of it. We are very grateful to you. We now have much more work ahead. This was an excellent second session and you have been extremely helpful. Thank you all very much.

Wygene Chong – Written evidence

Individual Submission in Personal Capacity

The following is an individual submission by a 19 year old university student in Perth, Australia who has been following the committee's work with interest and who would like to make some contribution to the debate on Soft Power and the UK's Influence. I have no specific interests to declare and do not form part of any particular organisation or political group.

- I. What is your understanding of soft power?
 - a. My understanding of soft power is very much concerned with contrasting soft power from hard power. Hard power brings to mind a focus on coercion and force, whether it be through military might or economic sanctions. Soft power on the other hand brings to mind the term *influence* (which ironically also features in the title of this committee); the ability of a country to use its influences in areas such as culture, language, diplomatic ties and general reputation to further its interests in a particular field.
- II. How important is a country's soft power?
 - a. I would consider a country's soft power immensely important, especially in a world which has largely seen peace for many decades. Whilst the use of both soft and hard power tends to produce the same outcome (in other words, they are both means to achieve a solution), the former results in a somewhat more content partner or ally; the latter in a decline in relations between nations.
- III. In a digitally connected world, is soft power becoming more important? If so, why, and will this trend continue?
 - a. Yes I believe soft power is becoming more important and I believe there are two ways of looking at this.
 - b. Firstly, with the rise of a digitally connected world, we are seeing a general fall in the number of armed conflicts worldwide. This naturally strengthens the need for soft power as opposed to hard power, which is now being placed under more scrutiny than ever before. In other words, it is now much easier for members of the general public to examine hard power decisions and vent their opinions in the public arena than it has been in the past. However soft power is, as aforementioned, viewed in a more favourable light.
 - c. Secondly, I believe that soft power is becoming more important in a general sense due to this digitally connected world. People want to see positive diplomacy and negotiations, not negative. A digitally connected world also provides a more economical platform for nations to project their influence abroad, through the use of the internet. While being cheaper, I believe that this form of influence is no less effective and should be capitalised on.
- IV. What are the most important soft power assets that the UK possesses? Can we put a value on the UK's soft power resources?

- a. I would consider the UK's most important soft power assets as
 - i. the Commonwealth, as an international organisation in which the UK plays a crucial role, both in its history and in its present governance.
 - ii. the Monarchy, as both an ancient and modern institution that provides leadership and inspiration to the world.
 - iii. the BBC, as an internationally-acclaimed media organisation which broadcasts worldwide.
 - iv. the British Council, as a well-recognised education and cultural organisation.
 - v. the UK's diplomatic network, being the UK's physical presence abroad and the coordinator of the UK's overseas initiatives.
 - vi. its universities, being the educators not only of the British population, but of a vast proportion of the world's talented young people.
 - b. I am sure that it would be possible to put a value on the UK's soft power resources but I personally think this is a waste of taxpayer resources. This is an activity best left to think tanks and interest groups.
- V. Is the Government doing enough to help the UK maximise the extent of, and benefit gained from, its soft power? What more – or less – should the Government do to encourage the generation and use of soft power?
- a. I believe the Government could do a lot more to help the UK maximise its use of soft power. I would propose:
 - i. An official 'Soft Power Policy', created as a collaboration between the Foreign and Commonwealth Office and the Department for Culture, Media and Sport. This should set clear targets for long-term development, in particular strengthening what I would call the 'key pillars of the UK's soft power', being the entities listed in IV(a).
- VI. How can non-state actors in the UK, including businesses, best be encouraged to generate soft power for the UK, and be discouraged from undermining it?
- a. I would suggest an annual pot of funds of significant value to be awarded to a number of businesses and organisations who present projects that would generate soft power for the UK. The awards would be administered jointly by the Department for Culture, Media and Sport and the Foreign and Commonwealth Office.
- VII. How can the UK mobilise its soft power resources to boost trade with other countries and foreign direct investment in the UK?
- a. Well, mobilisation requires leadership, and that can only be provided by the Government through the aforementioned soft power policy.
 - b. The UK's network of embassies, consulates and high commissions should be responsible for being on the frontline on coordinating the rollout of any mobilisation.
- VIII. Who should be the target audiences, and what should be the aims, of the application of the UK's soft power?

- a. Everyone, but particularly countries with strong economic potential for the UK.
 - b. The general aim of the application of the UK's soft power should be to build a positive image of the UK as an influential, prosperous and esteemed global power.
- IX. Are there spheres of influence in which the Government should do more to promote the UK?
 - a. There are many spheres of influence but I would like to point out two in particular:
 - i. Universities; the UK has many of these and many rank amongst the best in the world. However, I believe the university sector needs stronger support to attract the very brightest from around the world. I am not in a position to comment exactly on what is required but I recognise that universities around the world are working extremely hard to entice international students, with the strong support of their governments. The UK must keep up or risk falling behind.
 - ii. Tourism; the UK is a popular nation to visit but still lags significantly behind rivals such as France, Italy, Germany, Spain, Turkey, China and the US. The Government must set even more ambitious targets to attract tourists from around the world. Again, I am not in a position to comment on exactly what is required, but I recognise for example that the UK receives relatively very little from the world's largest 'supplier' of tourists, China. This should be rectified.
- X. What roles do international networks such as the UN, the EU and the Commonwealth play in strengthening the UK's soft power and influence abroad and facilitating its application? How could the UK use these networks more effectively to increase its influence?
 - a. I will focus solely on the Commonwealth. I believe the Commonwealth is still far below its full potential as an influential international organisation. Currently, the two most significant manifestations of the Commonwealth are the Commonwealth Heads of Government Meeting and the Commonwealth Games.
 - b. I believe the UK needs to play a stronger role in the Commonwealth in order to more effectively increase its influence (both of the UK and the Commonwealth). This could be done with...
 - i. An annual award of funds from the UK government for business/investment projects within the Commonwealth. This could eventually transition to an award of funds from a pot of money maintained by the Commonwealth.
 - ii. An annual festival hosted by the UK showcasing Commonwealth business, organisations and culture.
 - iii. A 'Commonwealth Scholarship' awarded to talented students from around the world to study at UK universities.

- iv. The establishment of a 'Commonwealth Council' of senior government officials from all Commonwealth members which meets bi-annually in London to propose policies for the further development of the Commonwealth.
 - v. A Commonwealth free-trade zone.
 - c. I would like to make the point that I would not envisage the Commonwealth becoming a political nor economic organ; rather, it should remain an organisation fostering cooperation and shared history.
- XI. How best should the UK's foreign policy and approach to diplomacy respond to the new global communications environment, where social media have rapidly become prominent, where alternative media organisations (such as Al Jazeera) have multiplied in power and reach, and where the grips of traditional elites on the flows of information in their countries have weakened?
 - a. I think the answer is quite simple here: fight.
 - b. The BBC should be expanded, particularly in its Worldwide division and in its Online division. It should be championed as a source of up-to-date, quality information.
 - c. UK Government departments should also make good use of social media, being coordinated by the Government Digital Service. This is already working quite well at present so I will not comment any further.
- XII. How should the UK best respond to the more prominent role in international affairs played by non-state actors and emerging powers? Can the UK shape this landscape as it develops, or must it take a purely reactive approach?
 - a. It must shape this landscape or risk losing its position among the global elite. It can do this by following everything else I have said in this submission.
- XIII. How are UK institutions (such as Parliament, the Monarchy, and religious bodies) and values (such as the UK's commitment to the rule of law, human rights and freedom of speech) perceived abroad? Do other countries have negative opinions of the UK? Do those representing the UK give enough consideration to how the UK is perceived?
 - a. UK institutions are generally perceived in a positive light, but there is plenty of room for improvement.
 - b. The Monarchy plays a central role in the UK's reputation and this role needs to be enhanced. I think the recent Royal Wedding and Diamond Jubilee have demonstrated globally the power of the Monarchy to impress and inspire. Coupled with the promotional power of the BBC, I believe it would be beneficial to open up more of the ancient ceremonies and procedures involving the Monarchy, as well as the Royal Palaces. More should be done to help the Monarchy reach out to the public.
 - c. The Church of England and its global influence through the Anglican Communion is also an important and perhaps often forgotten advantage. The Church should be aided particularly in its role in developing communities worldwide, especially in nations which are still developing.

- d. Parliament is also a key player in the UK's reputation, but quite often the House of Commons (or in Lords terminology, 'the other place') is perceived in a negative light; they look like a bunch of children during heated debates. I think it would be highly beneficial for the House of Commons to follow procedure more in tune with the House of Lords. The other point I would to make here is that the world is often not aware of the work (and sometimes existence) of the upper chamber and it would be beneficial for the House of Lords to reach out to the world in this regard. That said, I think it is already doing quite well, especially with its social media connections and use of videos created by the Parliament Education Service.
 - e. In contrast to the above, the UK's use of hard power is perceived generally in a negative light abroad. It often draws cries of unnecessary interference and hypocrisy. In my opinion not enough consideration of this fact is made by those representing the UK. I believe that the application of hard power, in any form, be it economic/trade sanctions or military force, should be limited as an extreme last resort. Diplomatic efforts should always take precedence, using the UK's influential assets such as the BBC and social media to project a positive solution to the problem. This solution should in most cases be a compromise, not lending full support to any party in a conflict.
- XIV. Are there any examples of how its commitment to such values has hindered the UK's influence abroad or damaged its interests?
- a. The UK's activities in the Middle East, in my opinion, have significantly hindered the UK's influence abroad and damaged its interests. Whilst they may yield a long-term solution, I continue to hold strongly to the fact that soft power is a more powerful, if tiring, instrument than hard power, which has been wielded particularly in Iraq and Afghanistan.
- XV. What is your assessment of the role played by UK universities and research institutions in contributing to the UK's soft power? Does the global influence of UK universities and research institutions face any threats?
- a. I have already commented on the role of UK universities and how they face threats to their position from around the world. I would just like to say here that essentially the aim of government policy should be to make it a 'dream' to go to a British university and to make that dream a reality for millions through the organs of the Commonwealth and the British Council.
- XVI. To what extent should the UK Government involve the devolved administrations in its work on soft power? Does the UK have a single narrative or should it project a loose collection of narratives to reflect the character of its regions?
- a. Certainly the UK Government should involve the devolved administrations in its work, but I believe that the best way forward is to produce a single narrative. A loose collection of narratives only weakens the influence of the UK. For example, many people around the world are not even aware of the distinctions between England, Wales, Ireland, Northern Ireland, United

Wygene Chong – Written evidence

Kingdom and Great Britain. To continue to use so many distinctions, particularly on frontline marketing, is damaging to the UK's reputation abroad.

Wygene Chong
Perth, Australia
14th August 2013

Professor Andrew Coyle, International Centre for Prison Studies, University of Essex – Written evidence

Memorandum of evidence to the
House of Lords Select Committee on Soft Power and the UK's Influence
from Professor Andrew Coyle CMG, Emeritus Professor of King's College London and
Visiting Professor University of Essex

1. This submission is made by Andrew Coyle, Emeritus Professor of King's College London (KCL) and Visiting Professor University of Essex. Between 1997 and 2005 the author was founding Director of the International Centre for Prison Studies in the School of Law KCL and during that period was also Professor of Prison Studies at King's. Before that he worked for 25 years at a senior level in the prison services of the United Kingdom, during which time he was governor of several major prisons, the last of which was Brixton Prison (1991–1997).

The International Centre for Prison Studies

2. The International Centre for Prison Studies (ICPS) was established in 1997 and is recognised internationally as a leading academic centre for the study of penal systems and prison reform issues. ICPS was part of the School of Law in King's College London until 2010 when the Law School was restructured. The Centre now has a partnership with the University of Essex. One of the unique features of ICPS is that many of those who have been most closely involved in its work have many years of operational experience in criminal justice, particularly in the prison and probation fields, usually within the United Kingdom.

3. From the outset, as its name implies, ICPS placed all of its work in an international context. It did this by identifying, assessing and analysing the agreed **principles** on which imprisonment should be based. Internationally these principles are enshrined in treaties, covenants and standards which have been agreed by the international community through bodies such as the United Nations. There are parallel norms which have been agreed on a regional basis by bodies such as the Council of Europe. ICPS then set about demonstrating how these principles could be used as the basis for a coherent set of **policies** to be developed by individual governments to inform their use of imprisonment. Finally, based on these principles and policies, ICPS identified good **practice** in the way that prisons should be operated and managed.

UK Government support

4. ICPS raises funds for all of its work, often from international donors and national charitable foundations and trusts. Over the years a significant amount of funding for specific pieces of work has come from United Kingdom Government sources, most notably the FCO and DfID. In 2002 ICPS published a comprehensive handbook on *A Human Rights Approach to Prison Management*. The costs of research for this work and its initial publication were funded by the FCO, which also funded a second edition of the work in 2009. Over the last decade this handbook has become one of the best recognised works in its field. It has been translated into some 18 languages, sometimes with funding from other sources, and it now used widely by international bodies in many regions of the world as well as by national

governments for training prison staff and as a basis for prison reform work. As an example, the Brazilian Government funded the printing of 40,000 copies in Portuguese for use by its prison staff. The FCO also provided funding for ICPS to write and publish a series of *Guidance Notes on Prison Reform*. These notes identify the major problems facing prison systems around the world and contain detailed advice for governments, funders and policymakers on how to alleviate these problems. The notes have been widely translated and are in use internationally. FCO and DfID have funded several other similar publications by ICPS.

5. From its earliest days ICPS has been invited to lead a wide variety of projects to reform prison systems around the world. These invitations have come from a variety of sources. Some of them have been international or regional, including various offices of the United Nations and European bodies which have sought help for their work within member states. They have also come from individual governments which have identified penal reform as a key element of attempts to improve access to justice and to reduce inefficiency and corruption within official institutions. In many of these cases initial approaches have come via UK embassies or directly from the FCO as part of its work to assist other countries to improve their justice systems as a vital part of good governance.

6. As an example, between 1998 and 2004 DfID funded a number of major prison projects in several countries of the former Soviet Union, with a particular focus on the Russian Federation. These projects had a number of strands which included training prison staff in good practices and assisting relevant governments to develop humane and decent prisons. ICPS led this work in-country and also secured the assistance of prison services in the UK to demonstrate examples of good practice where these existed. All of these projects were based on the model described above of assisting other countries to identify international principles, to translate these into sound policies and then to implement them through good practice. The lead taken by ICPS and its staff as well as the involvement of other UK partners undoubtedly created a significant degree of trust between relevant government departments and officials in these countries towards their UK collaborators. UK funding has also supported similar projects in Africa, Australasia, South East Asia and Latin America. At the request of the UK Government ICPS has also contributed to justice reform work in countries such as Iraq and Afghanistan.

Libya

7. The work which has ICPS has done and continues to do in several North African countries may be of particular interest to the current inquiry. In 2004 ICPS was requested by the UK embassy in Tripoli to provide assistance to the Libyan Government in new prison reform initiatives. This request came directly as a result of early discussions between the UK authorities and the Ghadaffi regime as the latter began to open to outside influence. This resulted in a series of major prison reform projects which lasted until the change of regime in early 2010. Throughout six years ICPS experts visited Libya on a regular basis and sponsored several visits by Libyan prison and justice officials to the UK. The Prison Service of England and Wales co-operated positively with these initiatives. By early 2010 discussions had commenced about how the experience in Libya might be used to encourage similar reforms in other countries in the region.

8. The revolution in Libya in early 2010 put an end to the prison reform work in Libya. This, however, proved to be a temporary cessation. In the latter years of the project it had

been championed by Mustafa Abdul Jalil, the Minister of Justice, who had been able to oppose some of the excesses of the Ghadaffi regime. After the revolution Abdul Jalil was appointed as head of the Transitional Council. In one of his first meetings with the UK Ambassador he indicated that he wished to give priority to setting the prisons on a legal footing and that he would be very grateful if ICPS could be involved in this work. He chose this bilateral course in preference to multilateral work with other countries. ICPS embarked on a new programme of support and for the last six months has had an embedded prison adviser working in the Ministry of Justice in Tripoli with funding from the UK Government.

Algeria

9. In late 2005 the Algerian Government approached the UK Embassy for advice about how to implement its new programme of prison reform. This led to a series of discussions between ICPS and the Algerian Ministry of Justice. The outcome of these was a request from the Algerians for ICPS to engage in a joint project for strategic prison change in the Algerian prison system. The FCO agreed to fund this project which subsequently ran at an intensive level between 2006 and 2012. ICPS experts visited Algeria on a regular basis and senior Algerian officials visited the UK. At the request of the Algerian authorities a Memorandum of Understanding was signed by the Director General of the Algerian Prison Service and the Chief Executive of the National Offender Management Service. When the project formally ended the Algerian authorities indicated that they wished to have an ongoing link with ICPS experts and continued funding for this is being provided by the FCO. For a number of years the European Commission (EC) has had a parallel project for justice reform in Algeria. The senior Algerian officials have made clear that they very much value the practical outcome from the UK funded projects and ICPS is now providing expert input to the EC project

Soft power

10. The International Centre for Prison Studies seeks to assist governments and other relevant agencies to develop appropriate policies on prisons and the use of imprisonment. Its aims are:

- To develop a body of knowledge, based on international covenants and instruments, about the principles on which the use of imprisonment should be based, which can be used as a sound foundation for policies on prison issues.
- To build up a resource network for the spread of best practice in prison management worldwide to which prison administrators can turn for practical advice on how to manage prison systems which are just, decent, humane and cost effective

11. In the current academic jargon, the work carried out by ICPS achieves considerable 'impact' in the manner in which it provides a sound knowledge base for the humane use of imprisonment and has assisted governments and other bodies to make use of that knowledge base. In carrying out its mandate ICPS has worked in some of the most problematic countries in different regions of the world. In terms of this Select Committee's inquiry, ICPS has shown how it is possible to exercise soft power in a strategic and effective manner.

12. ICPS is not a surrogate for the UK Government, nor does it seek to present the prison services of the UK as models in all that they do. However, ICPS is based in the United Kingdom and it has received considerable support in its work from the UK Government. It has also worked successfully with the National Offender Management

Service in a number of its projects in other countries. As a consequence it can be argued that it has helped the United Kingdom to make a significant contribution to prison reform in a number of countries. In so doing it has increased the standing of the United Kingdom in encouraging adherence to international standards, in improving good governance and in pursuing a number of specific objectives, such as international abolition of the death penalty.

13. ICPS has also been active in recent years in developing understanding about important matters of topical concern, such as the management of very high risk prisoners and of violent extremists in prison. In its work in Libya and elsewhere it has enabled the UK Government to provide countries in transition with particular operational expertise in a manner which has enhanced the UK Government's wider objectives in post conflict environments.

September 2013

Commonwealth Business Council, Institute of Export and National Asian Business Association and Leicestershire Business Association – Oral evidence (QQ 93-115)

Evidence Session No. 5.

Heard in Public.

Questions 93 - 115

MONDAY 22 JULY 2013

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Lord Hodgson of Astley Abbotts
Lord Janvrin
Baroness Nicholson of Winterbourne
Baroness Prosser
Lord Ramsbotham

Examination of Witnesses

Peter Callaghan, Director General, Commonwealth Business Council, **Uday Dholakia**, Chairman, National Asian Business Association, and Chair, Leicestershire Asian Business Association, and **David Maisey**, Director, Institute of Export

Q93 The Chairman: Welcome, gentlemen, and thank you very much for coming. You have the interests of the Members of this Committee before you on a list, I hope, so you will know how our views are shaping. I am not going to identify all three of you because we know who you are and you know who you are. I note that Mr Dholakia would like to make an initial statement. I would like to make an initial statement as well, which in a sense is going to be an umbrella question, but I would just like to say this to set the tone of the whole discussion.

I think we all recognise, and you recognise, that we are seeing an era-shifting change in technology going on in world markets, and indeed the Prime Minister has spoken of a battle for Britain's future in a super-competitive world. What we are doing on this Committee is asking whether a key element in that struggle is the deployment of so-called soft power, which of course is not really soft at all. As you will appreciate, it is tough and intense, but it does stand in contrast to the doctrines of force of the past or the belief that we could just threaten or walk into or bluster our way into new markets and succeed. That was yesterday and today we have to consider new approaches. You are really one of the spearheads to these new approaches in the front line, and it is your views and assessment of how you see the soft-power element and what you would like to see change and improve and what more

you would like to do that we want to hear from you today. That was my opening statement, and now I would ask Mr Dholakia, as you asked, to make an opening statement.

Uday Dholakia: Thank you, Lord Chairman, my Lords. Soft power in terms of the British Asian community is not a new phenomenon. It has been in existence within our culture for a long time. It embraces human dignity, culture, media, religion, entertainment, arts, family and commercial links. The invitation to a potential business colleague, be it an exporter or importer, to come home and have a meal with the family essentially goes beyond just the price and the contract. It is a soft-power engagement, based on a relationship on a long-term basis, whether the business is transacted today, in five years' time or on behalf of somebody else or to help somebody else. In conclusion, my submission is very much that we have an inside track into the commercial centre of gravity towards the east and as a country we ought to engage with that inside track. Thank you.

Q94 The Chairman: Thank you very much. In a sense, it was a very valuable opening statement that has really answered what is the first question to all three of you, which is how you see the soft-power element in your work and the ambitions and goals of the various members of your organisations. I should also have mentioned that Mr Maisey and Mr Dholakia have sent through notes that we have. I am afraid it was rather late in the day, but they are very useful and simple and short, which is the best thing of all, and we can probably have questions built on those as well because they are in front of Members of the Committee. Let me start with Peter Callaghan of the Commonwealth Business Council. How do you respond to the question I put about the soft-power element in your work?

Peter Callaghan: I have long held the view that philosophies are much stronger than rules. People are much more likely to do things for philosophical reasons than they will do by following the rulebook. Another saying that I have is that leadership is not taken but it is given. It is given as a result of followers being willing to follow you, so you cannot impose leadership on people; people have to want to follow you as a leader.

I think that applies to what you are looking for in this soft power. The UK occupies a very interesting position in terms of people aspiring to many of the values that Britain has and so people are willingly following the leadership that is provided by the UK. You see that in our language, education, sports and business; people willingly follow the values and the policies and style of doing things that Britain has. I think Britain has soft power and it has always had that. It occupies a unique position between Europe and the rest of the world.

One thing I would go back to is in the day of sailing ships Britain had a unique position that it had many of the harbours where large ocean-going ships had to trans-ship into smaller ships that went into the rest of Europe, and I think Britain is in a similar position today. It bridges the gap between the European world and other parts of the world, whether that be Africa, North America or Asia. The UK occupies a unique position, especially because of education. A lot of people in these countries have been educated here or they have sent their children or they have had special courses. I think that is a very important part of the soft-power aspect of the UK.

The thing I would like to finish on is relationships—my colleague touched on this—and the fact that business is all about building relationships. You do not do business with people you do not know. You need to have time to build those relationships and from those relationships comes an understanding of each other—not necessarily an acceptance but certainly an understanding. The Commonwealth is an important way of building those relationships very quickly because we have a common language and we have some common history. So while the Commonwealth is not a super-weapon, so to speak, in this battle that

the Prime Minister talks about, it is nevertheless a very important enabling part of building the relationships that are necessary for trade to be based on around the world. Thank you.

Q95 The Chairman: The clerk has just reminded me that I said outside that we had already stripped down in this Committee. I believe it is the hottest day of the year so far, and if any of you would like to take your jackets off, we would completely understand. Thank you very much. We are going to come back to a number of the points you have made, too, but could I just ask Mr Maisey if he would like to begin with the central point: what his organisation does and how he sees this soft power dimension?

David Maisey: Thank you, Lord Chairman. I am representing the Institute of Export today as a newly appointed director and trustee. I also own and manage a company, ICC Solutions Ltd, and we supply and develop test tools for chip and PIN by way of a very large global customer base. So I am actively engaged in export on a day-to-day basis with my organisation.

Our view of soft power is it defines a nation's brand image and influences how our organisations and our products are perceived. There are a number of components of soft power: government, education, culture and, very importantly, innovation. Certainly from my experience, one of the most powerful things about UK business is our ability to be innovative and deliver the highest levels of excellence in terms of solutions and customer service. We are engaged in a relatively niche market but we work, as ICC Solutions, with all of the payment associations and the major banks over the globe. They demand the best-quality solutions. Our closest competitors are based in Europe, in France, Holland and Belgium, yet we rise above these other organisations simply because of the British way of doing business and how we excel in certain things.

There are some tangible components of soft power, notably, for example, the Queen's Awards for Enterprise. My organisation won two Queen's Awards for Enterprise last year in international trade and innovation, and I can tell you that these have been exceedingly well received by our global client base, not just within the Commonwealth but outside the Commonwealth as well. They have a massive impact on how our organisation has been perceived. I think generally soft power is about excellence; it is about innovation and quality and the British way of doing business.

Q96 The Chairman: Thank you very much indeed. The British way of doing business—that is a very useful springboard phrase to develop. Would any Members of the Committee like to come in at this stage?

I think what you have described is fine in general, but we have to try to work out how this is going to be developed in the British interest. Let me start with a headline from today or yesterday: the Olympics are said to have contributed mightily to actual deals and real returns. Is that the sort of soft power that you have in mind? Do you think those figures are right, incidentally, about getting £9.9 billion-worth of extra deals out of the Olympics? Would any of you like to comment on that?

Uday Dholakia: I think that was something to celebrate, but the Olympics only comes around after so many years. I was listening to the radio on the way down here, and I also, if my memory serves me right, heard how many millions were put into the Olympic redundancy packages. We live in the real-time values of Twitter, e-mails and blogs. While we celebrate, the perception of what the Olympics did and did not do is mixed around the world. While we have a very good reputation, and my colleague has touched on that, as a result of the British way of doing business, my question is: what is the British way of doing

business in the contemporary competitive and globalised world today? I think there is need for some rebuilding, recalibration and redefinition of what “British” means. We start off with a very good base in terms of integrity, creativity, innovation and sense of fair play. I am speaking in my voluntary role. For my day job I work for Birmingham Airport, and I just secured Air India flights into Birmingham four times a week from 1 August, so that we have connectivity and inward investment with India. But we need to define what is the new British way of doing business, and I would like to think that we can build empathy and other people’s values into this as well.

Q97 The Chairman: There is a note of challenge or criticism in what you just said, and indeed in your paper, where you remark: “A very real perception by many British Asians is that upper echelons of diplomacy, trade and inward investment promotion are narrow and established hands for whom diversity in Britain has only comparatively recently been accepted as relevant”. That is quite a sharp observation. Is this based on the fact that some of your colleagues feel real difficulties in—

Uday Dholakia: It is a factual observation, Lord Chairman. I started my career as a local authority officer, and I was headhunted into DTI. I worked for Kenneth Clarke as Minister then for four years. It is a real observation. It is also an observation based on travelling abroad and doing business day in day out. I do not see many people from diverse communities at the hierarchy within FCO, BIS, UKTI. I have not seen any non-executive directors, and yet we are held-up as a good entrepreneurial community.

Q98 The Chairman: I will turn to Mr Maisey. You too put in a paper, again with a critical note to it, which is good hard stuff to build on. You say, “We are not seeing a joined-up approach from Government. It appears to start with great ambitions and then runs out of time, which leads to a compromise”. What are you looking for from Government?

David Maisey: There are generally some good ideas being put forward, but none is really taken through to complete fruition. There is a lot of mismatch and confusion for people like myself and other organisations like the Institute of Export. They see that certain initiatives can be undertaken in one governmental department but not reflected in another, and we have the situation where generally what we find day to day, especially for smaller businesses, is there is no centralised resource for all the information that exporters need. We have personal experience of this, as do many organisations within the Institute of Export, which have to in many ways rely upon HMRC for information, and that can typically take two weeks. When you want to be very dynamic, very proactive and you have clients chasing you on a daily basis as to certain criteria that they may need to satisfy, two weeks is completely unacceptable. It is just generally a number of components. It is the disparity between different departments within the Government and certain departments not knowing what is happening in other departments. The essential point is having a complete, centralised resource of information that people can turn to.

The Chairman: That is very interesting.

Q99 Lord Ramsbotham: I was very interested by that comment because that impinges on various things that we have been hearing before and have been exploring, for example that the National Security Council is the general overseer of soft power. Is that right, or is that far too shadowy? Do you, as a person involved in the marketplace, feel that Government is coming together to help you, or are you having to deal with a splintered and fragmented Government, having to pick off each bit of it as you have to, which makes life more difficult for you?

David Maisey: Absolutely, and I would totally agree that there is too much fragmentation. Exporting now, we all appreciate that we have to be a lot more dynamic. The world is very much a changing and evolving place. We are seeing more activity taking place in the east as opposed to the west. The UK has enjoyed being in pole position for soft power, but we can see that will soon start to decline unless we attack it and challenge it. Some of the major assets for the UK, such as the BBC World Service and the British Council, are having more challenges now with funding; some have been cut or removed completely. These have been a fantastic way to sell the UK to the globe. What we are seeing now are these diminishing, and additionally we see nations like China and Turkey becoming very much focused on soft power, China especially—we all know the massive economy there. They have always had a very hard-line stance and have been negligent of soft power, but they are now very much focusing on soft power. In fact, they have established some 320 educational institutes over the globe simply to promote China and the Chinese culture and the Chinese language and so on, and it is a subtle way of them opening the door to do more business.

Uday Dholakia: I have a rather sanguine view of this. I think we live in realistic times where money is tight and the government apparatus can only do so much. This is why I am here. We want to come to the crease and bring our own resources, networks, cultural links, inside track, not just in the Asian subcontinent, but in east Africa, South Africa, the United States and parts of Europe and the Middle East as well. We have real challenges. My fundamental concern is that something like the UKTI ought to be a core function of the Government and not something that is outsourced here, there and everywhere. Look at the US Department of Commerce and how aggressively it promotes the hard power as well as the soft power worldwide. I think there is a lesson to be learnt out there.

We are an island and, while we are very good at export documentation and export support, let us think about supply chains and imports as well. We have to import a lot of raw materials to make Land Rover Jaguars or food and drink, or whisky as well, if I may use that as an example. We need to be savvy at import relationships as well as exports. One of our biggest unique selling propositions in this country is our regulation. This summer I spoke at the Trading Standards annual conference in Brighton. They were rather hoping that I would complain about the burdens of regulation on SMEs. I did a little bit of that, but what I talked about was that we have the best regulations in the world. If you buy a British product or service abroad, you know it is legitimate, it is transparent and there is a redress complaints procedure. I think that is something that we need to build on so that the world looks at us in terms of better regulation models and frameworks. I feel that is one soft area of power that will give us ongoing competitive advantage.

Q100 Lord Hodgson of Astley Abbotts: You have raised the question of the gap between firms, particularly SMEs, and the Government, and it is multi-faceted. One of the intermediaries that Lord Heseltine referred to, of course, is the role of the chambers of commerce, which are closer to the ground for many SMEs, and yet, as he points out in his report, the membership of chambers of commerce is very small indeed compared to equivalent organisations in Germany. Should we be thinking about ways to use the chambers of commerce as protagonists and informers and developers of smaller firms to work around the world? If so, is that going to be better than trying to find a way to focus the huge panoply of governmental apparatus on one contact point?

Uday Dholakia: If I may address that, let me give you the example of Leicestershire, which I know reasonably well. We have some 45,000 businesses in Leicestershire, from micro to quite substantial businesses. I would say not more than 10% are members of the CBI, LABA or the Federation of Small Businesses. How do we engage with the 90%? Clearly

Government does not have the resource to do this. What I am advocating is a partnership that goes beyond just chambers of commerce. I read Lord Heseltine's *No Stone Unturned* report. In fact, Lord Heseltine was in Leicester two Fridays ago, and had lunch with all the representatives of the business community. I really feel there are big gaps in the government offering. We will ignore it at our peril. What we need is real leadership from this institution—from both Houses—to create alliances and partnerships that are legacy-based that add real value. The chamber on its own cannot deliver this.

Compare our chambers of commerce network to, say, those in Germany, which are a quasi-statutory instrument in Germany. I feel really depressed when I go abroad and see that my competitors have all the data from the French chamber, the German chamber, and US Department of Commerce and the only access I have is to OMIS reports from the UKTI. We need to look at a wider coalition. Let us tease out the best in what the people have to offer. One of the reasons I am here today is that we have nine British Asian business associations up and down the country which trade internationally and bring in inward investment; they are really keen to engage, to go out there and promote UK plc, but unfortunately they are not engaged.

Q101 The Chairman: I am just going to chuck a question at Mr Callaghan, which I hope will pave the way for Lord Janvrin, who wants to pursue something. What I want to ask you, Mr Callaghan, is whether you feel that your members and you are operating in new markets with new patterns of behaviour, new conditions and new tastes and techniques for operating and doing business. Has something quite big changed in the world, and are we moving away from our traditional business patterns?

Peter Callaghan: I have worked in most parts of the world except South America. I have run a lot of international businesses. I have actively used UKTI. As you can tell, I am not from this country, but I have been here 23 years, so I have run businesses from here and from Australia, and from places including Russia, eastern Europe, North America, Asia and India. I have a slightly different view about UKTI. I have found it extremely helpful and extremely useful in-country. You get out of it what you put into it. I do not think business has changed one bit. I think it is still about relationships and, whatever the technology you are dealing with, it does not really matter unless you have a good relationship with someone.

You asked earlier about sport and the role it plays in these things, like the deals at the Olympics. I think these events bring people together—they get to know each other and relationships are formed, people start talking, they feel good and they say, “Let us work on this together”. The CBC has run lots of Commonwealth business forums in conjunction with the Heads of Government meetings, and lots of deals always come out of this. It takes a while for them to be completed afterwards, but nevertheless people get together in these forums, they build relationships and they say, “Let us work together and make something happen”. That is what business is about.

I think the thing that has changed for the UK is a thing called integration—I do not know if you are familiar with this term. Today you cannot export low-value products; you have to export highly integrated products or highly integrated services, so you are either exporting a car or an aerospace subsystem, a jet engine. They are highly integrated, they involve lots of different suppliers and technologies—drugs are an example of a highly integrated product—or you are exporting highly integrated systems, such as power transmission and generation, water supply and sewerage, or railway transportation. These are highly integrated systems, and they bring a lot of suppliers with them. I think if there is anything that has changed for Britain it is that we have to be more in the integrated product, integrated system supply arrangement, and for that we need more companies like the BAEs and the Rolls-Royces.

The one thing that I would be encouraging about where there might be something Government could do is the post-trade mission consortium. Trade missions go to countries, they build relationships and people say, “Let us do such and such”, but it falls flat afterwards because there is no follow-through. So if there was one thing I would vote for it is not to change UKTI but somehow to encourage the formation of post-trade mission consortia. It does not have to be a Government-led institution—it could be a chamber, it could be the bodies that are represented here today—but it should pull together those teams. I think that is where the Germans, whom I have competed with, the Chinese and the Japanese are much better than we are. They form consortiums willingly, and that is soft power. Coming back to the starting point of soft power, people want to be part of it rather than be compelled to do it.

Q102 Lord Janvrin: That leads straight into the area that I want to get into. All of you started off by saying, “We had terrific advantages, we had the language and the education and the Commonwealth”, and so on, but then all of you have said, “UKTI could do more of this”, or, “We could use people in different ways”. You have all mentioned Chinese, the US Chamber of Commerce, the Germans and so on. Is there advice that we can give to Government on how other people do it, in your experience, that we could make use of? Can you be a little bit more specific? I am addressing this to all three of you, if I may, on how we can learn from others.

Peter Callaghan: I was competing in my previous job for a £100 million contract to supply mobile hospitals to the Saudi Arabian health service, and we were competing against a German company. A hospital is not just a set of boxes. There is quite a lot of money involved in all the equipment that goes inside the hospital as well as all the supplies, so you have to form a consortium to be able to bid for that hospital. It is not just one single company. The leading company was called Zeppelin, but there were lots of companies involved in that bid, and they had active involvement from their trade organisation to facilitate the bid. They obviously won it. That is something that I think we could do in this country—encourage those sorts of consortia. I am not suggesting that UKTI should lead the consortium, but certainly it has to be able to facilitate, encourage different firms to get together and know each other. In the case of Zeppelin leading that consortium, it had built up relationships with all the various suppliers over years in order to make the bid. A £100 million bid is a big bid for a mobile hospital. So I would be encouraging doing something to facilitate the building of consortia. Rolls-Royce and BAE already do this when they are bidding on big projects, but I think we could learn to do more of that. If we are going to succeed in the UK, it is about selling or exporting more integrated products that pull with them the supply base in both this country and elsewhere.

David Maisey: I completely agree that voluntary consortiums are a very efficient way to work. There is no doubt about it, from my own personal experience globally, that when people pull together for the benefit of all involved they tend to achieve a lot more as opposed to being forced into doing something. The Institute of Export is committed to the education of their members to ensure that all of their 2,000-plus members have the basic infrastructure and knowledge requirements to help them export globally to existing and new and emerging markets, which is absolutely vital as a first layer to have that education and the information and knowledge of what needs to be done.

Referring back to the UKTI, I think they are also an excellent organisation and they have launched a few initiatives. One of these is Export Champions. That is where the UKTI select a number of high achievers who have done well at export and have them collaborate to share their experience with other companies to encourage them to export, to help them

actually export, all based on experience. There is absolutely no doubt that in today's climate we need to utilise technology more. Technology is going to change the way that we all communicate; it has already done so, but it will do so more when we look at soft power and what can be achieved by technology. We all know the World Wide Web. That has made such a huge difference to my own business, because we deal mainly electronically although, having said that, people still want the face-to-face relationships. In Canada and the USA, for example, they are very keen on face-to-face and you cannot take that away, but you can collaborate more, you can have more consortiums and you can utilise the power of technology more.

Q103 Lord Janvrin: Can I come back to my question? You mentioned the Germans. How are they doing better at this than we are? Do they have a different organisation? Is there a different structure? Where can we learn from the people who are beating you on contracts?

David Maisey: I think it was my colleague who mentioned Germany.

Uday Dholakia: The end issue is legacy. Let me give you a practical example. You decide that you want to export to India, for example. You do your market research; you have your local export adviser from UKTI; you commission an OMIS report. You turn up in India, you have a nice drinks reception at the High Commission, and next morning you wonder, "How the hell do I do business? How the hell do I get repeat business, and how do I expand on this?" I feel that UKTI in this country is not fit for purpose. Abroad, yes. If I am a £10 million business exporting to Saudi Arabia, I am sure I will get the Prime Minister to take me with him to Riyadh. I am talking about the SMEs who are not based in London, who are based out in the country, in the Midlands, in the north-east of England. We need to create a legacy-based relationship.

So, you have been to India, you have met a few people, and you have come back to a place like Leicester or Derby or Lincoln. What I would like to create is a relationship with the Asian business community. There are 11 Indian banks in Leicester. Each of those bankers is very well experienced in doing business and getting money out of India for customers. What can I do to bring those bankers and those mentors to work with a farmer in Lincoln, to work with an engineering company in Derby so there is a legacy base, so that somebody who understands you can talk to you on a regular basis and create that next stage of your relationship? That is where I am coming from. Yes, there are sterling people within UKTI doing a great job; I have tremendous respect for them. The proposition that I am putting to you, my Lords, is: is UKTI fit for purpose in this country compared to what the Americans, the Germans or the Japanese do? It is something that I would like you to investigate. I feel that it is not fit for purpose.

Q104 Baroness Nicholson of Winterbourne: I was just going to carry on with this one, not the question I was planning to ask. Going back to the beginning of some of your points, while supporting fully what Mr Callaghan has said about lack of follow-up, despite the fact that the Foreign Office has quite properly put trade and industry at the very top of its agenda, Mr Maisey says, quite correctly I think, that there is a huge lack of joined-up government on the ground. What suggestions do you have that can be taken from examples from other nations of how you should get a completely cohesive single face on the ground that will enable our businesses to succeed where we are at this moment failing in the face of other competition? For example, would you like to see DfID maybe not necessarily always choosing a British company but giving British companies first choice and only turning to another company from another nation if the British company does not fit the standards? What recommendations do you have? Would you like to see UKTI, the Foreign Office and

DfID more closely linked together on the ground? What is it you are suggesting? You are giving us what is wrong. Have you any thoughts as to what we should have on the ground?

David Maisey: That is a very good point, and this is what we need to further assess, because there are no magical answers immediately, but we do agree that we need that collaboration. We do need more power given to the likes of the Institute of Export and the UKTI so that these can become a centralised resource of information. But I think also we cannot overlook the fact that we have to encourage everything from the bottom up, so this is all about innovation. It is about manufacturing excellence, and this is why some countries are doing better than the UK, because they are more innovative and maybe the manufacturing is better. We have taken some knocks. We still have some fantastic organisations here doing extremely well, but often we just lack that attitude of, “Go for it and make it a success”. This is something that I see a lot in my line of business. We export a software application and it is very technical, very innovative, we have won many awards for that, but it is about having the guts to start with.

A lot of people I know—because I speak to a lot of different business leads—are concerned about the economy, they are concerned about stepping too far beyond their comfort zone. They have so many other things to think about these days that it is suffocating the capability to be innovative and achieve these higher levels of excellence. So we have to look at that as well to encourage all of that activity, as well as what you have suggested, having the overall body that co-ordinates and provides the information.

Q105 Lord Forsyth of Drumlean: I am getting two messages, listening to your experience. Perhaps I am misunderstanding you, Mr Callaghan, but you seem to be presenting a sort of big-business picture, the £100 million contract with the consortiums, while Mr Maisey and Mr Dholakia are saying, “We have to have innovation, and we have to give the SMEs more of an opportunity”. Certainly my own experience, talking to small and medium-sized businesses, is that they say, “It is impossible for us to break into these markets, because we do not have the resources, we do not have the knowhow, and the DTI and other organisations are only interested in the big boys”. You have emphasised the importance of businesses like British Aerospace and so on, which are very fine businesses, but most large businesses in the end decline and it is small and medium-sized businesses that become the big businesses of the future.

What I would like to know is: how do we use our networks, whether they are Commonwealth networks or whether they are relations with India or whether it is particular sectors where we have a comparative advantage, as in technology? How can we solve this problem? There are lots of words, but it is not clear to me in practical terms what the things are that we need to do. I do not for the life of me see why the Government should be involved in helping you to put together a consortium to bid in Saudi Arabia. I would have thought that if you have a bid you want to get the best people together for that purpose, but I can see how there may be a very innovative high-tech firm that is at the leading edge that wants to be able to export its product but simply does not have the resources or the manpower, or the time even, to do so. How do we deal with that?

David Maisey: Let me reflect, if I may—I know Peter wants to speak—on you have said. My organisation, ICC Solutions, has 18 people. Last year we exported to 63 countries, the year before it was 55, the year before that it was 44, and that was with fewer staff. We have achieved a lot with a small number of people. We do not become involved in consortiums. We do it all ourselves. Our challenge has been to find all the information that we need in order to export to markets, and especially new and evolving markets, the Middle East being

a very good example, because there are so many criteria that you must satisfy. It is having that centralised resource of information for us. We have worked with the chambers over the years, we have worked with UKTI, we have worked with the Institute of Export, and they have all been excellent in their own way, but we have had to jump from one to the other, to HMRC as well, to the—

Lord Forsyth of Drumlean: So you are talking about the compliance requirements, regulatory requirements of the countries concerned. You are not talking about how to market your product.

David Maisey: Absolutely, yes. We believe we firmly know how to market and position our product, but of course what is beneficial is obtaining information about that particular market so you know how best to deal with the people and also how to fully position your product.

Lord Forsyth of Drumlean: So marketing and access and credibility are not an issue; it is knowing how to get through all the regulatory and local hoops that you are concerned about.

David Maisey: Essentially, combined with some of the local knowledge. I do feel that is very important, because as a small business we have seen diversity of cultures and we have to work in many different ways to satisfy our clients, and, as you will appreciate, with a small team of 18 people, that is very hard to achieve unless you have very focused and committed staff. That commitment is there, but we have wasted quite a lot of effort over the years going off down alleyways searching for information when really it should have just been there immediately.

Peter Callaghan: Just to correct an impression I created, perhaps, a £100 million hospital involves hundreds of suppliers. It is not just one supplier with a £100 million contract; it is lots of small suppliers as well, but someone has to take the lead to integrate all of that together. I used the example of British Aerospace; in the case of the company I was working for it was Marshall in Cambridge. The business I was running averaged about £60 million a year, so it is not a big business by any means. It is about integrating the supply chain from smaller companies, some of them quite small, where someone takes the lead. Why did the Germans do better and why did they win that contract? They spent seven years bidding against us. They travelled more often to Saudi Arabia. Their trade organisation had more people in their office in Riyadh who knew the lie of the land than the UKTI did. We had a good relationship with UKTI, but they seemed to have just the finger on the pulse of who needed to be talked to and what they needed to be offered. They take a much more proactive role. The thing I would vote for would be to double the number of people in the UKTI offices overseas, the British trade commissioners. I would put more people into those offices, based on my very positive experiences with those offices around the world.

Lord Forsyth of Drumlean: But what would they be doing?

Peter Callaghan: You go to a country maybe once every three or four months, so your relationships are very short-term. If the UK trade commissions had more people to establish relationships inside the country when you go there, you can get a briefing, and you are much more up to speed as to who to talk to, what lines to take. That is what we used the trade commissioners for. They could do a lot more than they are currently doing, but you would probably have to have ex-business people who are oriented to getting an idea of what was going on in the marketplace so that when you got there you could be briefed by them. That is the practical recommendation I would make.

Q106 Baroness Prosser: Why do you think it is that UKTI is so on the back foot on these things? Do you think it is an attitudinal problem or—

Peter Callaghan: I do not find them on the back foot.

Baroness Prosser: No, but what you have just been saying is that—

Peter Callaghan: That was Mr Dholakia.

Baroness Prosser: No. You said you need people to co-ordinate and you gave us an example that the Germans were up there, upfront, spending more time abroad and so on.

Peter Callaghan: I forget the name of the German trade organisation, but in-country they seem to be much more interested in the background and the details to these bids so that when their teams went to Riyadh, they were being briefed by the German trade—

Baroness Prosser: Who is it that is at fault in this country for not being so—

Peter Callaghan: No one is at fault. There are only so many trade commissioners in these offices. I am just arguing you could do with more of them.

Baroness Prosser: So that is a UKTI issue, then?

Peter Callaghan: It is probably a budget issue.

The Chairman: The next witness is from the UKTI, and we can put these questions to him, but we need to move it on because of timing. This phrase of yours, “a British way of doing business”—of course our way of doing business is not the same as the way of doing business with new markets, including emerging markets. That leads to a question that I think Baroness Nicholson wanted to put, which is quintessential.

Q107 Baroness Nicholson of Winterbourne: Mr Dholakia, you mentioned about halfway through the very large amount of regulation that Britain has. I would like to invite anyone to comment on whether your companies, the ones that you have been representing and nurturing, have found the Bribery Act to be a big handicap. I recall that when the Bribery Act came in there was a big consultation period with companies who were not altogether satisfied. Of course in the emerging markets and other markets, with the rise of bribery and corruption globally being horrific, the real struggle is quite often against a country where it is state companies and maybe they do not have the same respect for our Bribery Act as, say, the US would have, and certainly not maybe locally. What is the competition doing about corruption, and is this hampering our companies very badly indeed?

Uday Dholakia: What I would like to see in terms of your question is localised international trade centres where we bring in the synergies of the universities, private equity and the experience of the local business community to help local businesses. In terms of anti-bribery, I think the whole world is moving in the right direction; they want a level playing field, and they want to do away with sharp practices. My concern is that when we come up with regulation and if we do not weigh-up the ethos and the modus operandi of that legislation, we are perceived to be anti-investment, anti-trade and an anti-business country, and I think there is danger in that. I firmly believe in the long-term and medium-term aims and objectives. If we do not communicate with our soft power while we are moving the agenda for anti-bribery forward internationally, then we will be perceived—and we are perceived—as being anti-investment, anti-business, anti-trade, with our regulations on visas and people coming into our universities.

I was in India with the prominent Vice-Chancellor from Nottingham University, Sir Colin Campbell, and we were talking to the Institute of Management in Ahmedabad, to the bright

and the best, asking why they were not coming to the Russell Group of universities rather than Ivy League—they were ever so polite and did not say much. After a couple of beers, they said we were perceived to be expensive, stuffy, and you could not get jobs here. More importantly, in America, at MIT or Stanford or UCLA, they saw peers from their own communities who were heads of departments, who were Nobel prize-winning economists, and that gave them the impetus to go to America. The business case for having soft power in this area is very important.

I go back to my early proposition, that our regulations are the best in the world; that is our USP, but sometimes we do not communicate intelligent regulation very well, and in the short term we send out mixed signals. People do not just listen to the Prime Minister in the House or the Opposition on the television; they also read blogs, they also listen to our commercial radio stations and television stations, and make their minds up. It is no longer that COI and the BBC send the messages to the world. The world is looking at us from all sides, and sometimes we are perceived to be anti-enterprise.

David Maisey: I would also suggest that no one wants to see corruption in business. We all want a fair, competitive, even playing field. To some extent, the Bribery Act is perceived as limiting what companies can do and what they can offer. I know from my own experience in the Institute of Export that there is confusion about what is involved in the Bribery Act. There are companies who are now setting limits on hospitality, for example, because they are concerned that may be perceived as bribery. The other consideration is it is very much unilateral. There should be a multilateral implementation, because we need to be mindful of all of the different cultures globally, and there are different ways of doing business in each of these nations. It is incorrect as westerners if we go along and impose certain ways of doing business on the eastern cultures. We have to be flexible, and I think the Bribery Act itself does not lend that flexibility. It has now put businesses in fear that they may well be overstepping the mark with simple things like hospitality and doing business that is relevant to the nation that they are in. These things do need to be considered and, never mind internationally, even in the UK there is a lot of confusion with it.

Q108 Lord Hodgson of Astley Abbotts: On the Bribery Act, which is now out for consultation, people say that the difference between it and the US Foreign Corrupt Practices Act is that you have responsibility for your agents in this country, where you do not in the US. What I am always amazed by is how few people write in to say something. When that consultation closes, there will be a couple of hundred, but there ought to be a couple of thousand. If people really believe that they can influence the Government, that is what they ought to be doing. I hope that organisations like yours, if this is a problem, do write in and say so because the weight of evidence will have an impact. We heard earlier about the BBC World Service and we heard then, Mr Dholakia, about how Britain was perceived as stuffy and anti-enterprise. Is the World Service pro-enterprise? Does it have enough—

Uday Dholakia: My Lord, I have a real concern about the BBC. When I got home after a day's business, I saw one of your colleagues use the term "lost the plot". I think if they have lost the plot in internal issues in the UK, they certainly have lost the plot externally. The world does not see us through the BBC any more. There are a plethora of multimedia communication platforms out there. That is my biggest concern, that the world is viewing us in real-time values, not the historical values of cricket, fair play, integrity. Those are still underlying, important values, but the values have changed. Some of the events that happen in this Westminster village are heavily reported worldwide, and people make their own perceptions about these issues as well. I would say that certainly the BBC needs to take stock of that.

One point I will make is that there are no senior people in policymaking or the editorial end from the diverse community. Yes, we see people in front of the television. I had the privilege to work as a commissioner for the Broadcasting Standards Commission, chaired by Lord Dubs, and we worked very hard to put a diversity provision within the Communications Bill before Ofcom was established. I am sad to say the BBC today has no empathy in terms of policy and direction with the rest of the world because it does not reflect the rest of the world. It certainly does not reflect the communities that are based up here.

The Chairman: Strong words there; that is very interesting.

Q109 Lord Foulkes of Cumnock: That is very interesting, and all the evidence has been interesting. I know you want to get on to the Commonwealth, but I wanted to check something. Do the three of you work together on a regular basis, or are you just here because we happen to have invited you to the same session?

Uday Dholakia: I work with the Institute of Export. In fact, I did a presentation to some of the companies who were keen to do business with India and, rather than doing an academic business presentation, I did almost like Arthur Daley's philosophy of doing business. What is the reality? Let me give you a quick example. If there is a major festival in Bombay, UKTI and the chambers will advise you not to go during that period. What I was advocating is that is the right period to go and say to your host or your client, "Can I come and spend the day with you or your family to get underneath your skin to build a relationship?" so the next morning when you wake up to do business you have already covered a lot of useful ground. That is the place that I am coming from.

Q110 Lord Foulkes of Cumnock: Each of you has made some very interesting and some quite strong comments. You have given us some very interesting evidence. Was it because we asked you about soft power, or have you been thinking for some time, "Hey, Britain should do more on soft power"? Has that been something that has been seething away in your thoughts?

Uday Dholakia: I have been badgering Lord Stephen Green and Margot James MP on this. I have been badgering for the last 10 years, because it is really frustrating to go abroad and find that we are losing our competitive advantage.

Lord Foulkes of Cumnock: Is that the same with Mr Maisey and Mr Callaghan? Have you been feeling strongly about this issue?

David Maisey: Yes, we have, from both the Institute of Export and the ICC Solutions perspective. Ultimately, "soft power" is a term, but it is all the underlying principles. For my company, that has been absolutely key for our continued evolution and success. Constantly, daily, we are looking at how people globally perceive us and what we need to do to enhance our company.

Q111 Lord Foulkes of Cumnock: I think my colleague Baroness Nicholson mentioned this earlier. If you were asked to point to one country that we should look at to see, "Hey, wait a minute, they are good", would you say Korea or would you say Australia, or France, or America? Where would you say we should look at to see some really interesting, innovative things, using your word, Mr Maisey?

Uday Dholakia: Germany and United States.

David Maisey: Yes, I would agree.

Lord Foulkes of Cumnock: You think they are ahead in soft power, both of them.

David Maisey: Certainly the US. I think Germany is evolving and, as I mentioned earlier, China and Turkey undoubtedly are evolving in terms of soft power.

Lord Foulkes of Cumnock: What about France? They always seem to be pushing the French case through the French institutes.

David Maisey: I think, with all due respect, many people have had enough of France and the general attitude, again with all due respect. We see this day in, day out. Speaking with clients globally, they have exactly that perception. They are becoming somewhat annoyed with the ongoing arrogance of the French and their failure to be flexible and to adapt. It will be interesting to see how that evolves, but talking from personal experience it is not my own personal point of view.

Lord Foulkes of Cumnock: Mr Callaghan, in the Commonwealth is there a country that we could emulate?

The Chairman: Can I just interrupt? That is the question that we want Baroness Prosser to develop.

Lord Foulkes of Cumnock: Are we going on to the Commonwealth?

The Chairman: Yes, we are going on and it is going to be, I am afraid, the last question. I just declare an interest when I speak on this subject because I am President of the Royal Commonwealth Society and Chairman of the Council of Commonwealth Societies. Baroness Prosser, you put the question and let us build on it with what Lord Foulkes was asking.

Q112 Baroness Prosser: The majority of Commonwealth countries have retained over the years the very similar legal systems, governance procedures and so on that they inherited and developed during the time when we were much more involved. Do you find that dealing with Commonwealth countries as British companies makes it slightly easier at all? Does it give any advantage?

Uday Dholakia: I think that Indians—I speak as somebody who is British and who is absolutely passionate about UK plc—and people anywhere that English is spoken and appreciate Pythonism have a great affection for us. Affection itself does not translate into commercial reality. There is a shift in paradigm that needs to be taken on board. One of the observations is that a lot of our institutions are London-centric. There is an exciting life outside London. There is a lot of business to be done outside London. That is one observation.

The whole world is knocking on the doors of English-speaking emerging markets, so what is our unique selling proposition? Soft power is an important one, but I go back to my original submission that we need to restructure and recalibrate it. It may be a question of learning as well. I will give you an actual example. One of the biggest challenges we have in doing business with the Indian subcontinent is regulation in terms of import and export, especially around food. I put a proposition that better regulation is our USP that sets us apart and the rest of the world wants to adopt our model. The World Bank wants to adopt our model. Rather than just taking SMEs to India, I am taking British regulators to India to a conference and saying to the SMEs, “If you want to do business with us, these are the prerequisites. If you get it right, we can do a lot of business together, but if you need help, these are the signposting areas where we can give you help”. As a result of that, the Indian regulators now want to come to this country and adopt our best practices as well. Those are soft skills. Those are influencing skills that we need to build on.

Q113 Baroness Prosser: Mr Maisey, what do you think?

David Maisey: Certainly, from my experience, it has been a benefit to engage with other Commonwealth countries, and most notably Canada has been our key area for export over the last number of years. We have established somewhat of a monopoly in terms of the test tools that we supply within the Canadian marketplace and that is undoubtedly due to the very close relationships that we enjoy as both being part of the Commonwealth. It is the same culture, the same business ethos and obviously similar laws and so on. Canada has been a wonderful destination and undoubtedly that is because of the Commonwealth link.

Interestingly, because of our activity in Canada as part of the Commonwealth, what we are now seeing is migration to the US. Typically, there is often conflict between Canada and the US, but in this case the US is looking to Canada to see how they have implemented the chip-and-PIN model. Canada looked to the UK; now the US is looking to Canada. That is part of, I suggest, the power of the Commonwealth going beyond and now starting to influence how the US is going to manage their chip-and-PIN migration. That potential, incidentally, is massive, infinitely bigger than Canada itself. As part of that Commonwealth relationship, we are now looking to achieve huge things in the US.

Q114 Baroness Prosser: That is interesting. Could we say the same, Mr Callaghan, if you look at Australia and the very close relationships nowadays in that Pacific Rim with Singapore, Hong Kong, which are themselves ex-Commonwealth, and their legal systems?

Baroness Armstrong of Hill Top: It is still part of the Commonwealth.

Baroness Prosser: Yes, indeed. I was just giving an example.

Peter Callaghan: The first thing I would say is that people build relationships by doing things together. One of the most important things that we have all done and continue to do is education. People in the Commonwealth are educated either in their own country, but, most importantly, they are educated in other Commonwealth countries. It is not just the UK they come to but Singapore, Australia, New Zealand and Canada. They are educated in other Commonwealth countries. In that process, English is the common language and the examples and the case studies and the material they work with are largely Commonwealth examples, whether they be English or Canadian or Australian or whatever. It is a very important form of soft power. When people are educated technically as doctors, engineers, accountants, whatever they might be, in a Commonwealth country, they are taking across the soft power that you are talking about. I think there is a huge benefit in the Commonwealth for that reason—it is inherent that people have done things together. That is the thing I come back to about the trade commissioners in these countries. When you go there, you go and see them. You build a relationship with the trade commissioners, and they in turn build a relationship in that country with people so that you automatically fit into the patterns, the processes, the ways of doing business in those places. I think the Commonwealth is tremendously important because of the soft power it already has.

Q115 Baroness Armstrong of Hill Top: Do Commonwealth countries talk about visa issues?

Peter Callaghan: There is a committee that is looking at this expansion of the APEC card across the Commonwealth, the business visa. That is something that is going on at the moment.

Baroness Armstrong of Hill Top: So, visas are not a problem at the moment.

Uday Dholakia: They are a major problem. It is also how we communicate processing of visas. I think as a country we are sending out mixed signals. Investment money has the opportunity to go anywhere in the world to be invested. We have a competitive advantage because of language, integrity and everything else, but my advocacy is that we ought not to take it for granted. We need to build on it. We need to calibrate it. We need to innovate with that.

The Chairman: Baroness Armstrong has chucked a large rock in the pool right at the end because, of course, the visa issue is one that comes up again and again, but I think we are going to call this to a halt now. We are very grateful to you. Speaking for myself, I have tremendously enjoyed this short session, and I think we can draw on a number of your comments very heavily, particularly in the next session that we are going to have with the UKTI. Thank you very much indeed for taking the time on this hot afternoon to be here and

good wishes in all your work. We shall study very carefully what you have told us. Thank you very much indeed.

Commonwealth Parliamentary Association (CPA) – Written evidence

1. CPA UK

1.01. The Commonwealth Parliamentary Association is the professional association of Commonwealth parliamentarians, a network of over 17,000 parliamentarians from 175 national and devolved legislatures.

1.01. The Commonwealth Parliamentary Association UK Branch (CPA UK) is one of the largest and most active branches of the international CPA and delivers a unique annual programme both in Westminster and overseas. Governed by an Executive Committee of parliamentarians from all main parties and with a membership of Members from both Houses of Parliament, CPA UK undertakes international parliamentary outreach on behalf of the UK Parliament and its Members. Its specific focus is on parliamentary diplomacy and parliamentary strengthening activities, seeking to foster co-operation and understanding between parliaments, promote good parliamentary practice and advance parliamentary democracy.

2. The meaning and importance of soft power

2.01. *How important is a country's soft power? What is the evidence that soft power makes a difference?*

2.02. CPA UK's work is in large part instigated through requests for programmes and partnerships from Commonwealth legislatures, so the organisation relies on demand for the UK's existing soft power to generate its activity. Over the last three financial years, CPA UK has seen 30% year-on-year uplift in its programmes, indicating that the UK's soft power is both increasing and meeting with a favourable reception and increased appetite abroad.

2.03. CPA UK's aim in creating links between Westminster and international parliaments is to strengthen good governance and democratic accountability. Improved parliamentary practice can lead to good governance, which in turn helps improve a country's peace and stability, which catalyses social and economic development, stabilises its economy, and thereby makes trade with and investment in the country more secure.

2.04. *How do deployments of soft power inter-relate with harder and more physical exercises of the nation's power, ranging from trade sanctions up to the full use of force through military means?*

2.05. Exercising soft power influence on other nations can lead to peaceful and amicable resolution of differences in opinion, in particular where it is likely that more overt attempts to change a country's course of action might lead to large-scale international consequences and that a softer approach will have greater impact. For instance, the UK Government's recent decision to attend the Commonwealth Heads of Government Meeting in Sri Lanka despite its inconsistent human rights record indicates that it is preferable to maintain links and to continue to highlight issues and lobby for improvement rather than to isolate the country and leave it without international checks.

2.06. To this end CPA UK facilitates peer-to-peer exchanges between different countries' parliamentarians, a context in which it is possible for MPs and Peers to raise challenges and disagreements amongst their international colleagues informally, with the aim of instigating action from parliaments. In recent weeks, for instance, the UK delegation to the 59th Commonwealth Parliamentary Conference (CPC) in Johannesburg raised the issues of the persecution of LGBTI individuals, female genital mutilation and the death penalty with Members from countries where these practices persist.

3. The extent and use of the UK's soft power resources

3.01. *What are the most important soft power assets that the UK possesses? Can we put a value on the UK's soft power resources?*

3.02. CPA UK is able to undertake its work on the basis that Commonwealth countries – and others, such as Japan – share the Westminster parliamentary system and English language, enabling parliamentarians from across the Commonwealth to share best practice within the same organisational and procedural framework.

3.03. The shared language and, in many cases, legal system and business/administrative law, also allows for easier trading relationships, as well as for increased cultural exchange and understanding.

3.04. *How can non-state actors in the UK, including businesses, best be encouraged to generate soft power for the UK, and be discouraged from undermining it?*

3.05. CPA UK undertakes to work, wherever possible, in partnership with NGOs and civil society organisations such as Volunteer Services Overseas (VSO), the British Council, and the Westminster Foundation for Democracy (WFD). By identifying shared goals and creating strong, well-planned partnerships, it is possible to collaborate and to leverage public funding and non-state actors' funding to increase the reach and impact of programmes.

3.06. *Who should be the target audiences, and what should be aims, of the application of the UK's soft power? Is the UK using its soft power well and to the right ends?*

3.07. Parliaments, as the institutions that create legislation, hold governments to account, and represent citizens' interests, are a hugely important target for soft power, with far-reaching influence that extends up to governments and down to individuals through civil society and grassroots political structures. As such, focusing soft power on parliamentarians leverages its impact. However, parliaments are often forgotten stakeholders in the developmental process, falling between governments and civil society organisations; for instance, in the consultation process for the post-2015 development agenda, there is no clear route through which parliamentarians can make their voices heard.

3.08. *Is there sufficient return for the Government's investment in soft power? Is the Government's investment adequate?*

3.09. CPA UK runs its programmes on extremely tight budgets, consistently making decisions based on maximising value for money; it has found that a great deal of soft power influence can be achieved without incurring large costs. However, soft power requires non-monetary investment, such as human resource, time and facilitation assistance, i.e. opening

the right doors, and greater assistance from Government in these areas would be gratefully received by all actors.

4. Soft power and diplomacy

4.01. *What roles do international networks such as the UN, the EU and the Commonwealth play in strengthening the UK's soft power and influence abroad and facilitating its application? How could the UK use these networks more effectively to increase its influence?*

4.02. As an informal grouping of states, the Commonwealth network is based on friendship between nations and shared values. As such, approaches between members and under the Commonwealth's auspices are likely to be received favourably, and shared language, administrative/legal frameworks and, to an extent, history are likely to make cultural understanding easier. The advantages of shared values and history also apply to the EU.

4.03. However, in the Commonwealth this shared history can have the unfortunate side effect of allowing disagreements and wrongs of the distant past to have enduring ramifications. For instance, in some quarters in some African countries, the UK's attempts to influence elements of domestic policy such as homosexual rights are perceived to be ongoing interference from a former colonial power.

4.04. *How best should the UK's foreign policy and approach to diplomacy respond to the new global communications environment?*

4.05. With increasing channels through which the public can access the media, and with an increasingly fraught relationship between politicians and the media, it is important that use of both traditional and new media by Government be as open, responsive and comprehensive as possible, to ensure that the general public feels that Government is being transparent and has nothing to hide and to build bridges with media.

4.06. *How should the UK best respond to the more prominent role in international affairs played by non-state actors and emerging powers? Can the UK shape this landscape as it develops, or must it take a purely reactive approach?*

4.07. In many cases, the interests and objectives of non-state actors will tie in with those of the UK, making it practical to link with them and promote these shared aims. It is important to ensure positive perception in as many quarters as possible to secure the UK's position.

4.08. Bilateral links already exist with several of the emerging global powerhouses, such as India and many African countries through the Commonwealth. In some cases, these nations lack strength in their democratic institutions; CPA UK seeks to work with these to reinforce good governance and parliamentary democracy, promoting stability, human rights and the rule of law.

4.09. *How are UK institutions and values perceived abroad? Do other countries have negative opinions of the UK? Do those representing the UK give enough consideration to how the UK is perceived?*

4.10. Westminster continues to be seen as the mother of parliaments and a universal gold standard of parliamentary best practice. This is evidenced by the popularity of CPA UK's

Westminster-based programmes, notably the Westminster Seminar on Parliamentary Practice and Procedure, which each year is oversubscribed.

4.11. However, in its dealings with some partner parliaments, CPA UK has found that the relationship can be overshadowed by ongoing ill feeling towards the UK as the former colonial power, and in some cases its exercise of soft power can be perceived to be ongoing interference with a sovereign power's domestic policy. This should be borne in mind by representatives of the UK, as in some cases exchanges of views can be perceived as preaching.

4.12. *Are there any examples of how its commitment to such values has hindered the UK's influence abroad or damaged its interests? How can the UK promote its values abroad without being accused of cultural imperialism, propagandising or hypocrisy?*

4.13. At the recent CPC in Johannesburg, a session on the Commonwealth Charter sparked a discussion of the rights of and protections given to LGBTI individuals in the 2/3 of Commonwealth countries that criminalise homosexuality. In this session, several delegates implied or directly accused the UK of imposing a liberal, human rights western agenda to the detriment of the sovereignty of other nations. This was handled by one UK delegate by citing the number of instances where the UK has not performed well, for instance in preventing women voting for many years, the low female and ethnic minority representation in Parliament, criminalisation of homosexuality until relatively recently and permissive attitudes towards racism. It is important to emphasise in any attempt to influence that the UK is still far from perfect, and therefore any efforts are mutual, not merely a case of developed western countries dictating to the less developed world.

5. Aspects of soft power

5.01. *What is your assessment of the role played by the English language, and English language publications, in advancing the UK's influence abroad?*

5.02. Because the Commonwealth's shared language is English, one barrier is removed in bilateral exchanges with other Commonwealth countries, whether at governmental, parliamentary or non-state level. This is particularly beneficial in business agreements, as it dramatically reduces the costs by eliminating the need for translation of documentation. It also means that cultural influences, such as books, music, films and television programmes, are more likely to be shared, creating opportunities to develop closer relationships.

5.03. In the parliamentary context, English is the main language for parliamentary business in the majority of Commonwealth countries. However, in some, for instance Mozambique, English is not always the first language of Members, making English language training essential in enabling parliaments to be effective and robust. The British Council undertakes some parliamentary English language training, but due to lack of resources is not able to provide it across the board where it is needed.

5.04. *What soft power gains can the UK expect from its overseas aid and humanitarian commitments? Should aid be used to advance the UK's influence abroad?*

5.05. The UK's aid payments and humanitarian relief contribute to stability and to social and economic development through improvements to communities' health, food security,

education and infrastructure. This stability in turn gives economies and businesses the space in which to develop, and eventually to become new trading partners. It also can provide a means through which the UK can influence decision-makers in recipient countries, a symbol of support and friendship that may make calls for improved human rights records and strengthened roles for parliament, civil society and the media more effective.

5.06. To what extent should the UK Government involve the devolved administrations in its work on soft power? Does the UK have a single narrative or should it project a loose collection of narratives to reflect the character of its regions?

5.07. The international CPA is unique in recognising devolved legislatures equally to national; Holyrood, the Senedd and the Oireachtas therefore form an important part of the British CPA branches' work. For instance, similarities between the devolved legislatures and those of small countries such as Pacific and Caribbean islands mean they have a great deal of knowledge to share on issues of mutual concern, more than a Westminster parliamentarian might be able to contribute.

5.08. Furthermore, devolved administrations have their own bilateral relationships (Wales with Lesotho, Scotland with Malawi for instance) that are individually valuable and should be fostered.

5.09. It is also important to preserve the multiple narratives of the regions as each will speak to different countries. For example, Northern Ireland's post-conflict and peacebuilding experience links it with countries such as Sri Lanka, Rwanda and South Africa, all of which face the challenges of integrating divided communities, whilst Scotland's ongoing devolution/independence debate bears similarities to that of Quebec in Canada.

September 2013

Centre for European Reform, European Policy Forum and Open Europe – Oral evidence (QQ 165-175)

Evidence Session No. 9

Heard in Public

Questions 165 - 175

MONDAY 14 OCTOBER 2013

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Foulkes of Cumnock
Baroness Goudie
Baroness Hussein-Ece
Lord Janvrin
Baroness Nicholson of Winterbourne
Lord Ramsbotham

Examination of Witnesses

Ian Bond, Director of Foreign Policy, Centre for European Reform, **Lord Leach of Fairford**, Chairman, Open Europe, and **Graham Mather**, President, European Policy Forum

Q165 The Chairman: Can I begin by welcoming the witnesses and making the formal statement I am required to make that the declared interests of this Committee are before you on pieces of paper, I hope? Thank you very much for coming. The Committee's label is, as you know, that we are examining soft power and Britain's influence overseas. Part of the remit, we believe, is to look at the great institutions that Britain belongs to and see two things: one, how our membership of those institutions—in this case, we are talking about the European Union—help Britain's strength, diplomacy, persuasion, attractiveness and our ability to pursue our interests around the world in soft or smart ways; and, two, what the institution itself—in this case, the European Union—wields in the way of soft power and influence in the world. Inevitably, these two aspects will overlap as we discuss them, but those are the two main questions for us.

I know that our witnesses would like to make initial comments on how they see this remit of ours, and I am very happy that that should be so. I begin by asking Lord Leach of Fairford, who as we know is the founder of Open Europe, which is an extremely active body in illuminating the European scene. I will then ask other witnesses whether they would like to speak briefly as well.

Lord Leach of Fairford: Thank you. I apologise for my [bruised] appearance, and if slight concussion appears in my remarks I hope my inquisitors will be forgiving. A business colleague recently met a member of the standing committee of the Chinese politburo, who expressed the view that Sino-British relations were far more than a matter of trade figures.

The UK was the only country to have refrained from protectionist measures against China. Since the industrial revolution, the British have designed most of the rules of international engagement, from sports to standards of governance. It was the home of the English language. It had a strong role in education, science and technology, and in services, especially the financial sector, it was a—perhaps the—world leader. Without ports or harbours—there are not so many ships nowadays—we were the world's shipping hub because of our advanced impartial legal system. This, he said, added up to significant soft power, placing us as the nation that is always worth consulting on multinational issues.

Now, these ingredients of soft power, in the eyes of an independent observer of great insight who possesses both soft and hard power, may be of interest to your Committee because they are, I think, at variance with the usual way in which the term is used. They are specific, not vague. They are embedded in the culture of a nation with a long history of stability and continuity through difficult and changing times. The EU essentially defines soft power by contrasting it to the real military power and the concentrated economic power that it does not possess. The USA defines it in terms of the limitations of hard power, the need also to be effective to win hearts and minds through alliances of the willing.

It is only a phrase, so define it how you will, but I found the Chinese usage compelling. If you broadly divide soft power into trade negotiations and foreign and defence matters, it is, I think, self-evident that the EU's influence is proportionate to its own internal agreement or disagreement. Where member states are split, for example between protectionism and free trade or between armed intervention and neutrality, the EU's effectiveness is slight. In some cases it can be counterproductive. Even where there is internal agreement, it is always fair to ask—I am not prejudging the answer—whether the states might not have done equally well to agree independently rather than within the institutional framework of the Commission or the External Action Service.

That is by way of introduction, trying to give the Chinese view, which I do find compelling, of what soft power really is.

Q166 The Chairman: That is extremely helpful and clarifying. Thank you very much. Could we just ask Mr Bond to cover the same ground briefly?

Ian Bond: Thank you very much Lord Chairman. I will do my best on both scores. I will start by accepting the Joseph Nye classical definition of soft power: that it is the power of attraction rather than coercion or bribery. From that perspective, the EU seems to me to be pre-eminently a soft power actor. It would be fair to say that its economic soft power has been diminished by the crisis in the eurozone over recent years—there is no question about that. But it does retain a significant degree of soft power in other ways, for example through the continuation of the enlargement process and through the relationships that it has with its neighbours. That in turn reflects the attractions that the values of Europe have.

I saw a very interesting example of this in a rather unexpected area. As you probably know, negotiations are going to start, if the Americans reopen their Government, on the Transatlantic Trade and Investment Partnership. One of the attractions for Americans in the TTIP by comparison with some of the free trade agreements that they have entered into with other countries, for example in Latin America, is that the EU will be setting high standards in areas such as labour and environment, which is seen as quite attractive, rather than having to worry about human rights standards or labour standards in third countries. That underlines a point one of your previous witnesses from the Department for Business, Innovation and Skills made, which is that the EU has an important role in setting the rules of the game.

In many parts of the world, the EU can be a force multiplier for the UK. It is not always the case, but it is often the case, whether it is in the Middle East or the Sahel. The problem for the UK is that sometimes our attitudes to the EU make it more difficult for us to exercise the leverage within the Union that would best enable us to pursue our objectives.

The Chairman: Thank you. Graham Mather, would you like to give us a little opening sally on these themes?

Graham Mather: Thank you, my Lord Chairman. I will follow and adopt much of what was said by the previous witnesses. I agree that Joe Nye is right that hard power is push, soft power is pull. For me, the EU's primary attraction in the soft power sense concerns the norms which it espouses: democracy, human rights and market logic. The techniques are fourfold. The first, as Mr Bond mentioned, is enlargement. The second, which he also mentioned, is the neighbourhood policy, to which I would add bilateralism with great powers as number three, and finally what one might call inter-regionalism: that is, relating with other regional groupings in the world.

I think the EU's soft power is unbalanced in that enlargement is a much stronger form of soft power than the others. It seems to me that it gets progressively weaker through the neighbourhood policy, bilateralism and regionalism. Ultimately you have to ask, for those out of its region that are not going to join the EU: what is this soft power? Is the EU purely a European experience, or are its values truly more universal and capable of attracting? I will, if I may, just borrow a definition from Lee Kuan Yew, which the Committee may have heard: "Soft power is achieved only when other nations admire and want to emulate aspects of that nation's civilisation"—so here we are talking, *mutatis mutandis*, of the admiration of the EU.

I would just like to say two or three words on the British relationship. What is at the heart of Britain's soft power? May I suggest one or two? The BBC is enormously important globally. Then there is the City of London, and the Crown and Commonwealth—we have just heard from the Commonwealth. Conceivably, the Church of England could play such a role, as the two previous popes did for the Catholic Church. Then there is the English language. We saw in the Eurostat figures last month that 94% of upper secondary students across the EU learn English—an astonishing bridge and connection. So the question I really ask myself is: what does the EU add to these? In some areas it might inadvertently subtract. I do not think it has impeded the BBC in any way, but some recent measures and some of the directives, such as the AIFM directive in the City of London, will certainly not help the City globally.

In conclusion, it is difficult for the EU to create the focused structure of credibility that Lee Kuan Yew was talking about.

Q167 The Chairman: Thank you very much indeed. That raises some interesting questions. Would any of the Committee like to pursue that? I think you have made, first, the very obvious point, a very good point, that the EU clearly has magnetism for countries that wish to join. That is always a sign. This Committee discussed earlier the Commonwealth and the countries that wish to join that. There must be some soft power attraction of a kind. Nevertheless, there is also criticism that when it comes to the EU thinking of itself as an influence in the world through its Diplomatic Service, its EAS and so on, it does not seem to have made a major impact on the current issues that worry us in Syria, Afghanistan, Libya and Egypt. Where is the EU? I do not know whether any of our witnesses would like to comment on that broader question as well as, if necessary, coming back to the question of how it helps Britain.

Graham Mather: If I might carry on with that theme, let us think about the Chancellor of the Exchequer's very important visit to China, which is currently under way. The Chancellor almost made it explicitly clear that this was a bilateral initiative, and it has been reported as such. He went so far as to say, in picking up what was said earlier about the propensity of some countries to protectionism vis-à-vis China, that this included some European member states but not, of course, the United Kingdom. In a way, we see that very important interaction as almost entirely bilateral, but—I must just nod in this direction—the Chancellor has announced a pilot programme to ameliorate visa requirements, which have seriously upset our Chinese colleagues. He is doing so, I understand, by piggy-backing on the Schengen system, so that if a Chinese visitor applies for a Schengen visa it will be accepted by the United Kingdom, but it does not mean that the United Kingdom will join Schengen.

Lord Leach of Fairford: Assisted by a flying squad of officers going around Chengdu and Chongqing, I have to add, in order to get an accelerated VIP service. It is not quite joining Schengen. The French, I think, are talking about disjoining Schengen, I saw the other day.

Ian Bond: If I may add a word on this question, first, the Chancellor's visit is an example of where the member states sometimes undercut the effectiveness of the EU. The fact is that in a number of areas we need the Commission and its weight to be able to negotiate with the Chinese on issues of market access and so on. Yet, what we—we are not alone in this—and a number of the other member states tend to do is to turn to the Commission when we have difficult questions to raise with the Chinese and then go to the Chinese and say, "Of course, we're much more open to co-operation with you than our partners are, and we certainly don't agree with what the Commission is doing". You saw an excellent example of the results of that when the Chinese appeared to be dumping solar panels on the European market. The Commission took action to look after European producers who were being unfairly undercut by Chinese competition, and the Chinese went not to the Commission to negotiate a solution but to the Germans to lay down the law to the Commission. That is actually not in our interests in the long term.

Baroness Nicholson of Winterbourne: What extraordinarily interesting contributions we have just had. Could I go to something very basic?

The Chairman: I am so sorry. I have to interrupt you; there is a Division downstairs, which means that the Committee must adjourn for five minutes. It is very inconvenient, I am afraid, but that is what we have to do. When we come back, you can go on with your question. I apologise to our witnesses but that is the way this place works.

Session suspended for a Division in the House.

The Chairman: I think, despite Lord Leach not coming back to us, that we will push on. He can join in when he returns. Baroness Nicholson, you were just putting a question when the bell interrupted.

Q168 Baroness Nicholson of Winterbourne: Thank you very much indeed. Both Graham and Mr Bond made points on the enlargement of the EU being its greatest strength and in a sense the soft power being derived from that strength rather than sitting on its own, independent of it. You then mentioned the neighbourhood policy as a slightly less strong instrument. Earlier, Mr Bond or Lord Leach mentioned trade and industry influence in the Gulf, for example. As I perceive it, the further we get away from the enlargement countries, the weaker the EU becomes. Therefore I can see the immediate temptation, perhaps rightly

taken by the UK, of treating China as bilateral. But the enlargement of the EU has brought problems of its own, say with the less stable single market of 28 members than previously with the 15. My suggestion might be that the real strength of the EU is, curiously, depleted internally by enlargement, by the weakening of the fight against corruption and a number of important legislative matters internally given the weakening of the free market. How will this balance play out in the future since Turkey is not necessarily coming into the EU? We are starting to see the growth of the eastern policies, taking people away such as Armenia, which has now given way on a partnership association agreement in favour of the eastern partnership. How do you foresee this strength of the EU? Will it remain rather static where it is or will it have another way of enlarging its soft and underlying power?

The Chairman: I might add: does it need to change its doctrines of the 20th century, which were ones of centralisation, into a more decentralised pattern to fulfil the objectives for the future that Baroness Nicholson has just spoken about?

Lord Leach of Fairfield: As I came late to the question, I might not get it completely right.

The Chairman: If you do not answer it satisfactorily, I am sure that Baroness Nicholson will intervene. Have a go.

Lord Leach of Fairfield: I think that the centralisation of power, which was understandable at the beginning of the creation of what is now the EU, was necessary. There is the usual stuff: the wounds of war and very high tariffs. All those things had to be brought together in a centralised way. Here we are, nearly 70 years after the war, with a far more diverse state and a world that is far more globalised and networked rather than concentrated and regionalised. In those circumstances, the centralisation doctrine has gone from positive through neutral and is becoming counterproductive. A classic case of that is the euro itself, stated to be the currency of the Union although clearly it is not. It is admittedly counterproductive. That does not mean that it is easy to unwind it. Of course, it is extremely difficult to do so. But that is a classic case of where centralisation went too far and was a mistake. There is a strong case, one I hope the Government will put—I begin already to see signs of that in murmurings about the undesirability of resolving all problems through ever closer union—towards decentralisation. It is a personal view but I would like to see Europe redefine itself as the single market, so that if you are in good standing with the single market you are a member in good standing of the European Union. That is obviously an economic issue but leaving monetary, political and social arrangements much more in the hands of the national democracies. I think that would greatly increase the soft power of the European Union, although by traditional doctrines it would decrease it—some would say destroy it. It is the coalition of the willing as opposed to the coerced, one size fits all set of policies.

The Chairman: Mr Bond, what would you say to that? Those are interesting thoughts.

Ian Bond: I was interested in the idea of a centralisation doctrine. There has been an accretion of power. Some of it is rather more necessary than Lord Leach allows for ensuring that you have a single market that works. It is a little while ago, but if you take the example of the UK and BSE crisis, it was the Commission that ultimately forced France to accept that it had to start importing British beef again. It is not clear to me that we could have achieved that bilaterally, other than by possibly sanctioning a lot of French Champagne. It seems to me that having the Commission as quite a powerful referee is quite important to the running of the single market, which matters to us. That is not to say that there are not a lot of areas that can be left to the member states to decide. I do not think the working time directive is as bad a thing as is sometimes portrayed in the UK, but there is a fair case to be made that

not every country in Europe needs to run its health service rosters in precisely the same way. That is an example of where I would say you could pass some power back to the member states.

Q169 Baroness Nicholson of Winterbourne: I raised a point about the weakening, as I perceive it at the moment, of the single market by the 28 member states—at the moment—with what I would suggest is the great weakening of the fight against corruption and the rise of corruption. In other words, there is a lack of consistency in national legislation and in the culture nationally of certain member states to fight corruption at all. That has weakened the single market dramatically. I wondered whether Graham felt that that was so. If so, how does he feel that should be tackled? More to the point, what other strength does the EU have with which to balance its power outside the EU if the single market is in a little bit of trouble?

Graham Mather: Lord Chairman, I agree with Lord Leach that the single market is at the heart of the EU and that that economic power is the primary attraction for countries that want to join and, to a slightly lesser extent, to neighbouring countries that may want to associate with it. Both of those show soft power in operation. It can be complex. A Swiss friend said the other day, “So long as Europe remains liberal, we will not want to sign an association agreement, but if you become really protectionist then we would have to join”. There are tensions there. If we just extend it to the difficulties that Baroness Nicholson mentioned, as an example the Polish Government have some special economic zones that are very important to them. The EU said that they must phase them out by 2019. The Polish Government have now, of their own volition, said that they will not phase them out until 2026. They may never get round to it. That will be a different sort of single market in that there will be more flexibility in it to adjust tax rates and regulation, but I would see that as desirable rather than undesirable, and not necessarily as a weakening.

Finally, if one may look at the still further regions, Europe has for example the ACP—the Afro-Caribbean Pacific—relationship. There is some soft power there but it seems mainly to the benefit of the French. It seems to preoccupy the francophone countries. There is a soft power in Mercosur but the links seem primarily to be trade-related. The Asia-Europe dialogue does not seem to have any real soft power benefits for Europe because Asia does not seem to think it has anything to gain. If we come back to the question, if there is nothing to gain there is not much soft power.

Lord Leach of Fairford: Can I make a brief comment on corruption, as that was raised? Clearly the time when there is most leverage over corruption is when a country is applying to join. Once it has applied successfully and joined we see clear examples—with no names and no pack drill—where the pressure comes off and it becomes much more difficult to eradicate. Of course you are right that it must weaken soft power if part of the Union is patently more corrupt than others.

Ian Bond: Just to add to that, I am sure that is right. I can think of a small number of countries where the Commission should probably have done more ahead of their accession to try to deal with the problem of corruption. Equally, I can see that in the last big wave of accession in 2004 a lot of the countries that joined, for example the Baltic States, brought with them quite a reasonable level of economic culture—if I can put it that way. So the picture is mixed. Where I do agree is that the further you get away from countries that have an ambition or a realistic chance of joining the Union, the weaker its ability to influence countries’ behaviour becomes.

Q170 Lord Ramsbotham: In a previous session we considered the Commonwealth. One witness was responsible in the Foreign Office for both the Commonwealth and the European Union—as bodies, rather than anything else. Thinking about the United Kingdom’s involvement in soft power as a partner member of the Commonwealth, we are involved not just in our own soft power projection but in a contribution to the soft power projection of the Commonwealth. We are also a member of the European Union, and I wonder what particulars you feel we should concentrate on for soft power projection that is particularly European-related, over and above what we are doing as a member of the Commonwealth.

Ian Bond: The other two witnesses are looking at me. One area I would certainly look at is education. The European Union has a scholarship programme, mostly aimed at masters and doctoral students, called Erasmus Mundus. It is quite noticeable that the UK participates less in this programme than, for example, France or Spain. I can probably find some figures but I think it is something like 17 programmes involve British universities—some British universities are involved in more than one programme—while the French are involved in something like 23 or 24. It seems to me that that is an example where you have a European programme, funded in part by our contributions to the European Union, yet we do not seem to be actively pursuing that ourselves. It enables us to bring over high-quality graduates from countries outside the European Union and to inculcate into them something of the strengths of our academic and university system, our research strengths and so on. It seems that that is an undoubted benefit and we should make more use of it.

Lord Leach of Fairford: Can I give a slightly different answer without disagreeing with that? I go back to the remark—I cannot remember who made it; maybe it was Erhard or Kohl—that the EU without Britain is a mere torso. What did he mean? It is a phrase you quite often hear still repeated in Germany. It means that Britain is the principal voice for free trade, the principal voice for the reform of the common fisheries policy, which has been a moral outrage, and the principal voice for the reform of the agricultural policy, which has been another moral outrage. It is in contact with its own democracy in a way that countries that work on party lists never are. I am not accusing them of being undemocratic, of course, but it is a different, less direct and immediate form of democracy. These are qualities that Germans and others—I speak of Germans as standing for integration generally—see as a unique contribution of Britain. That is a genuinely valuable contribution to Europe. Were Britain for example to leave the EU—we have a referendum coming up in a few years’ time—that is what would be most missed in Europe.

The Chairman: That is very helpful. Graham Mather.

Graham Mather: I wonder whether I could make a sort of organisational suggestion against this background. I think many of us have found in Brussels that the City of London historically has been seen as Europe’s shared financial capital, and that the success of the City of London benefits the European Union as a whole. There is pride in its achievements and support for its work. That mood might recently have changed slightly. One certainly picks up vibrations now that say, in effect, “Oh, if you are having this referendum, if you are pulling away, if you are not interested any more, that is a different matter”. My point really is that we have talked about education, the BBC, the Commonwealth and the City, but these are very wide subjects to grapple with and to pull together. I wonder whether there ought not to be a sort of soft power unit somewhere, perhaps in the Cabinet Office, with the reach to get into the world of education, the world of finance, the world of the Commonwealth and broadcasting, to do this. The question is whether we are organised sufficiently to engage with the EU in securing those shared benefits in which the great

strengths of Britain are also seen as great strengths of the European Union. Systematic efforts should be made to align and to inform.

Q171 Lord Ramsbotham: One of the things that worried us in our very first session was that we discovered that the NSC was essentially the organiser of soft power. Of all organisations that seems to me to be completely wrong, because everyone immediately smells propaganda, and that is wrong. It is not a security matter, it is much more than that, and the security people should not be involved. I take your point about someone rejecting it.

The Chairman: My question is going to reinforce Lord Ramsbotham's. We have the EEAS, and we have European embassies being developed around the world. What is their message? Is it just that Europe is a good thing, which is really very near propaganda, or are they saying, "Look, we have all these assets within the space of the European Union, including this brilliant financial centre in London and many qualities throughout Europe which the world still values"? Are they telling the European story? What are they doing? That is quite a question to which we need to know the answer, just to know whether we are getting our money's worth. Would either Mr Bond or Lord Leach like to elaborate?

Lord Leach of Fairford: I should defer to him, but I would say that looking at embassies around the world, particularly in Asia, which I know best, all too often European soft power is expressed in, I am afraid, lectures about civil rights and about climate change, a subject which diplomats know even less about than the IPCC. I do not think that is what I would regard as a valuable projection of soft power, but I am afraid that is how it often comes across.

Ian Bond: I think that the role of EU delegations abroad depends very much on the country where they are posted. Before I joined the Centre for European Reform, I was a diplomat and served in Washington. The EU delegation in Washington is very heavily involved in trade issues, in aviation, in regulatory matters of one sort or another. It is doing a really important job on behalf of the member states in opening the US market in many cases. Does it do as much as it should to project Europe and European values? Arguably it does some things but probably not as much as it might. Equally we, the British Government, might get rather uncomfortable if it went too far down that road. Some of the delegations in, say, the countries of the eastern partnerships are disposing of quite large sums of money for technical assistance programmes to help those countries to harmonise more with EU legislation and to become readier to work with the European Union. You can see that in Ukraine, for example. The missions, just like British embassies, play very varied roles depending on where they are. Soft power is part of it, but the proportion varies from one to another.

The Chairman: Can you add to that, Graham Mather?

Graham Mather: I would just add if I might, Lord Chairman, that there is a distinction between useful diplomatic functions in which the EEAS is very new and the effective deployment of soft power in changing opinions towards the institution. There is no evidence yet that it has made much progress in doing that. I would just add, following Lord Ramsbotham's question, that the conflict between hard and soft power might increase for the EU as it strengthens its attempts to become a hard power and to have credible military forces and a mechanism to use them without prejudice to NATO. It may be difficult to attract support for these soft power values if at the same time Europe is attempting to become a hard power system.

The Chairman: Baroness Nicholson again, and then I have one more question.

Q172 Baroness Nicholson of Winterbourne: Thank you. I have a rather blunt question. What benefit is the UK going to have in the future from the EU's soft power or other strengths? After all, as we know, the EU spends a very tiny proportion of its effort on foreign policy in any shape or form. Almost all its time, certainly I would say from my decade in Brussels as deputy chairman of the Foreign Policy Committee, is spent on trying to keep its own house in order, and given what I would suggest is the growth of corruption internally that is exactly what it should be doing. Britain is different. I am not an empty chair policy person at all, but we have a far wider international history and reach than any other members of the EU. Despite the fact that countries such as the Netherlands and so on had vast empires, Britain for some reason, perhaps the Commonwealth, has a completely different perspective from that of our fellow member states. We have the UN Security Council, the Commonwealth and very strong and unique relationships with the USA. We are different, and perhaps that is reflected in the way in which the population of the UK is looking at membership of the EU at the moment, and our Government are responding. So given Britain's difficult position in Brussels—desirable or undesirable is not the point—how at all are we going to be able to benefit from the EU as the EU progresses?

Graham Mather: I will, if I may, give an example, following exactly what Baroness Nicholson said. I was looking at the speech by Lord Hall at the BBC about the reach of BBC news: "It now is relied upon", he said, "by a quarter of a billion people around the world", and his ambitious aim is to double that global audience by 2022 to half a billion people. It seems to me that the EU does not really have anything great to add to that.

Baroness Nicholson of Winterbourne: And 1.2 billion people on the globe speak English.

Graham Mather: Yes, so the EU addition may be rather marginal.

The Chairman: This exchange is moving towards a rather limited conclusion to the question of what soft power the EU adds to HMG and the UK or what soft power capacity the EU has. I have a feeling, Mr Bond, that you might feel that that is going too far the wrong way.

Ian Bond: I think it depends on the area. I would not dissent at all from the BBC example. It is quite clear that Euro news is never going to be a competitor for the BBC. That is obvious. But it does seem to me that in other areas, particularly trade policy, we are still going to get quite a lot of benefit from the EU, both in the neighbourhood and more widely. More than one American has said to me that they would not be interested in negotiating a free trade agreement with the UK alone; it is simply not a big enough market to be significant enough to devote the political effort to it. But a European Union that is a market of 450 million is worth negotiating with.

The Chairman: Because the chances are good? After all, this is going to lead straight into agriculture, is it not? It will be the clash of American agricultural interests against European ones, so might not the very size of this body, the European Union, be an obstacle to clearing up some of these trade barriers?

Ian Bond: It clearly is not going to be an easy discussion, but trade discussions never are. That does not make the payoff to our economies, from an American point of view or indeed from ours, less worth while.

Q173 Baroness Goudie: I just wanted to ask one question. You talked about the American delegation. The Americans have a huge delegation both to the Commission and to the parliaments in Europe. Is that right? I have met various of them when I have been around

Europe. They are basically looking at trade not through soft power but through their influence into Europe and the Community as a whole, and to protect some of their own policies.

Ian Bond: I do not know the complete details of the US delegation in Brussels. I have met a lot of people who are following trade issues, but there are certainly also people who follow justice and home affairs issues, and I assume that there are some who follow external foreign policy issues. There are certainly very close and direct links between the External Action Service and the State Department. They pick up the telephone to each other on a very regular basis. The Americans engage across the whole range of EU activity.

Baroness Goudie: That is what I thought. I just needed it clarifying, because of the points that we were talking about. It is very helpful to hear that.

The Chairman: We hear from time to time from the State Department that it is American policy still to see Europe as a united whole, and that tends to jar through British sensibilities because we are not so keen on ever closer union and so on. Do you think American policy towards Europe is changing as they realise some of the problems, particularly from the euro crisis and the divisions that this causes? Are they being a little less enthusiastic?

Lord Leach of Fairford: I think it has become a mantra for dealing with Europe, really going all the way back to the CIA days when they wanted a political Europe as opposed to NATO, so there was no political soft underbelly behind the protection against the Soviet empire. It is just something that they say the whole time. There are various things that nations say the whole time. When you get down to hard tacks, they are not at all averse to separation. For example, if one agrees with them on some military intervention, they do not say, “I do not think we will work with you”, because unless the whole of Europe works with them they simply will not do it. So they act as though they thought the real power resided in Germany, in Britain, in France and in some other countries, although the mantra is always the same.

The Chairman: That is an interesting answer.

Q174 Baroness Nicholson of Winterbourne: At the same time as we signed the treaty of Brussels in 1947, we were also a founder member of the Council of Europe. Do our kind witnesses feel that Britain could make more use of and put more effort into the Council of Europe, which has its own different aura further to the north and the east?

Should we make a greater effort there? I leave aside the temptation to criticise or not criticise the Court of Human Rights, which is a different story.

The Chairman: It is a good question.

Baroness Nicholson of Winterbourne: Should be make more effort there? We are very strong in the Council of Europe.

The Chairman: I am going to elaborate on that, because it is a fascinating question. We are founder members of the Council of Europe. It is a containment vessel of the values and everyone wants to join it. The Russians have tried to come in as well.

Baroness Nicholson of Winterbourne: And Turkey.

The Chairman: It is a great post-war achievement. Has our soft power quality and high stance in that been weakened and overshadowed by our membership of the European Union?

Baroness Nicholson of Winterbourne: I think so.

Lord Leach of Fairford: It is a hugely complicated question, because of course the European Union saw itself from the beginning as being in opposition to the Council of Europe. There were two visions of how Europe might evolve, and it went one way and not the other. Now, if it is correct that the European Union begins to see itself more in terms of devolved power and not so much in terms of fragmented but separated powers going back, then of course the Council of Europe becomes rather more user friendly. Many of the aspects of the Council of Europe, particularly rights, have already in effect been colonised by the European Union and incorporated as informing the fundamental human rights charter and whole sections of the Lisbon treaty and taken as precedents by the Court of Justice. So effectively that dimension has ceased to be a Council dimension and has become a fudged dimension between the Council and the European Union itself.

I think the underlying answer to the question is that I wish it was so, but I suspect it will be hard to make it much more important. That is no bad thing.

Q175 The Chairman: We have kept you here for an hour, and I am sorry for the interruption in the middle. Without going into vast even bigger areas of whether Britain should be a member of the EU and so on, which it is not for this Committee to examine, we cannot take things much further, but would Mr Mather or Mr Bond like to make a final commentary on our work as a Committee looking at the soft power, reputation and influence of this nation, whether being a member of the EU is helping it, and if so what further policies we should encourage in the reform of the European Union to promote it? These are very much your subjects, gentlemen, so you should come easily to this.

Graham Mather: Lord Chairman, may I first pick up on the Council of Europe question? We have been very much at home in the Council of Europe. It seems a natural environment for British ideas to be exported and developed, so even if some of its agenda has been colonised, as Lord Leach said, perhaps we can see it as a large and friendly think tank into which we can continue to inject ideas.

We have been less comfortable with the European institutions. We often, it seems to me, try to influence it by mail order from a safe distance, and certainly the number of officials in the institutions of UK origin continues to decline and must be a matter for serious concern, especially if you add to that the fact that the political grouping to which I belong has detached itself from the main centre-right grouping in the EU, which undoubtedly further reduces the opportunity for idea exchange and for soft power deployment, if nothing else. So my view is a rather sober one. I think that the EU can add only marginally to our deployment of soft power and that we should try to focus our minds very clearly on how we could assist it to do more, perhaps, as I tried to suggest earlier, by organisational means.

The Chairman: Mr Bond, a last word.

Ian Bond: I can only echo what Mr Mather said about our staffing in the EU institutions. It is quite poor. In the Commission we are something like 4.5% of the Commission staff, compared with something like 12.5% of the EU population as a whole. There should be three times as many of us in the institutions. If we want the EU to help us to project our soft power, it helps if our political discourse about the EU is a little less negative. It does not encourage good British candidates to apply to an organisation that is so often pilloried in the British press. I am delighted that the Foreign Secretary is putting more effort into trying to get good British candidates to apply for European jobs. From my own contacts, I think there is still a perception that, because the general view of the European Union is quite negative, if you become too closely associated with the European Union, that might not be of benefit to

your long-term career. I think there are plenty of examples to show that that is not true, but it is a perception that people have and I hope we can push against it.

The only other thing I would say is that it does seem to me that, particularly in eastern Europe, the European Union still disposes of considerable soft power.

The Chairman: You were ambassador in Latvia, were you not?

Ian Bond: I was ambassador in Latvia. That is true. Should I have declared that as an interest?

The Chairman: No, it is just that from that point of view the magnetism of the EU is clearly very strong in that area, which is very interesting.

Ian Bond: If you look beyond the current member states, it is quite interesting to see that when the Armenians, under extreme pressure from the Russians, signed up to join the Russian-led customs union and stopped their negotiations with the EU on an association agreement, people demonstrated in Armenia in favour of closer integration with the EU. I have seen no one in eastern Europe demonstrating in favour of a closer relationship with Russia.

The Chairman: Lord Leach, a final final word.

Lord Leach of Fairford: That was a slightly different flavour to this. I think the Commission is going through a lean period. It is not surprising, because its triumph was the euro and you would expect it to go through a very lean period. It is not going to make any real contribution to solving the euro crisis. That has to be solved at a national level, just as if there is a big trade dispute with China. As a graphic example, China very sensibly goes to Berlin and says, “Can you sort it?”. Increasingly with the weakness of the Commission, and with the sheer growth in numbers to 28 countries, policy is going to get decided very much at a great power level. Therefore I would draw attention to the fact that British engagement with Germany, as any German will tell you, has been running at about four times what it has been running at in the past 50 years. Its engagement is massive. The reason for that goes back to what we were talking about at the very beginning of this session: that if Europe is to be more evolved in order to be more effective, more efficient, more prosperous, and in the end therefore to have more soft power by giving space to each other, that has to come from an agreement between the principal advocate of integration historically, partly because of the history of the war—i.e. Germany and the great power house of the integrated part of Europe—and the principal advocate of democracy and a freer and more flexible type of Europe, which is Britain. It cannot be decided by 28 countries; it has to be decided essentially by those two. I do not mean “decided”, but if they agree and then take an agreed position to the rest of Europe, obviously most notably France, that is the best chance for a good outcome. The non-engagement with the Commission is partly just an outcrop of nature.

The Chairman: Well, there we are, and of course that raises the vast question—I feel we have been deliberately walking around it—of whether the treaties, as they exist, are the right ones or whether they can be changed. And thereby hangs another tale. I would like to leave it there. Thank you very much indeed. You have been very helpful, very illuminating, and we are extremely grateful.

Centre for Peace and Reconciliation Studies, Coventry University – Written evidence

I. SUMMARY

I.1. The Centre for Peace and Reconciliation Studies at Coventry University welcomes the opportunity to make this submission to the House of Lord's Committee on Soft Power and the UK's Influence.

I.2. We note that one of the priorities of the coalition government is to use soft power to promote British values, advance development and prevent conflict overseas. Our submission will focus on how we can make effective use of the UK's soft power resources to enhance security at home and abroad. Specifically, we will respond to the following areas of interest:

- The importance of a country's soft power and the evidence that it makes a difference
- The relationship between soft power and 'hard' exercises of a nation's power
- The UK's soft power assets and how can we make the most of them
- The role for non-state actors in generating and capitalising on UK soft power
- The part that sport plays in the UK's influence and soft power

I.3. We will not substantively address the questions around trade, language or digital interconnectedness.

I.4. The submission draws from our own experiences related to the committee's areas of interest, both as a research centre engaged in responding to protracted conflicts and humanitarian crises and also as a UK higher education provider with significant presence in emerging economy countries. We have particular expertise in linking hard power and soft power approaches, most notably in the humanitarian sphere and the maritime security domain. We are also a research leader in the area of sports and peace, where our work focuses on understanding the social impacts of major sporting events such as the Olympics.

I.5. Established in 1999, the Centre for Peace and Reconciliation Studies conducts cutting-edge interdisciplinary research that addresses the challenges posed by violent conflict and cultivates a deeper understanding of peace and reconciliation. Our research and consultancy services provide academic expertise and practical insights into the dynamics of war and humanitarian crises.

2. RESPONSES TO THE SELECT COMMITTEE'S AREAS OF INTEREST

2.1. How important is a country's soft power? What evidence is there that soft power makes a difference?

2.1.1. The UK's soft power capability provides the means for us to influence the actions of other countries in ways that support our continued security and prosperity. It allows us to pursue our goals internationally without relying on coercion or force, and to work cooperatively with other countries in order to strengthen the rules-based international system in line with British values. What's more, it allows us to exercise our influence and pursue our goals in ways that demonstrate our own commitment to the values we hold. For

any country this is crucially important. However the UK's position as one of the five permanent members on the United Nations Security Council, one of the biggest countries in the European Union and a member of the Commonwealth of Nations, makes our need to manage soft power even more acute.

2.1.2. This is critically and ever increasingly important in today's world. The threats to our security are changing rapidly, partly as a result of the same processes of technological innovation that are transforming our personal lives, allowing us interact with people abroad with unprecedented ease, speed and openness. While this increasingly open and interconnected world brings new opportunities, it also exposes us to new forms of vulnerability such as cyber-attacks and threats posed by networked criminal or terrorist groups. Changes in our natural environment also create uncertainties and pose a danger to public safety, and here our concerns include the effects of climate change on food, fuel and water supply. It is more often the case now that our enemies are not necessarily other nation states, but are non-state actors or even the forces of nature. This has significant repercussions for how we seek to address security challenges. Military operations are less likely to bring us the lasting solutions we need, and there are many actions that require the consent and cooperation of others. Often security threats require a comprehensive response, pursued in partnership with other countries and involving the strategic deployment of resources from a range of UK government departments, public sector agencies and non-governmental organisations. The more we are able to influence others, the more scope we will have to set agendas and lead in responding to these challenges.

2.1.3. The importance of soft power is also set to keep growing in a world where rapid developments in the global communications infrastructure is empowering citizens and enabling them to make their voices heard, pressure their representatives and participate in decision-making. The swiftness of communication and its networked character are redefining the balance of power between the state and citizens in many countries, including in those that may have previously lacked a culture of public consultation and accountability. The relationships that we build with these more participatory publics will be crucial for our national security. Governments that seek to support us in pursuing our foreign policy and national security goals will need the support of their populace, and those that wish us harm will also need to justify this to win internal support. Our own messages will increasingly be scrutinised for honesty and consistency, both at home and abroad. The challenge for us is to find ways of reaching out to citizens of other countries – particularly the young – and to project our soft power messages in ways which resonate with people and cut across their busy lives.

2.1.4. The serious commitments that other countries are making to develop their soft power capabilities is a clear indication that these resources can make a crucial difference in achieving trade and security goals. Emerging economy countries are vastly increasing their investment in soft power in order to increase their influence internationally. Turkey has steadily increased its contributions as a humanitarian aid provider and offers its mediation services in some of the world's most intractable conflicts. Qatar has exponentially increased its soft power projection through its sponsorship of the news network Al Jazeera. The British Council reports that China has opened more than 300 overseas cultural institutes in less than ten years. Meanwhile established leaders like Norway, Switzerland and Canada continue to invest in and capitalise upon their reputations as upholders of universal values, aid providers and stewards of the environment.

2.1.5. Thanks in no small measure to the successes of the Olympics and Paralympics, the Queen's Jubilee and the royal wedding, the UK is now very highly ranked for its soft power projection. The 2013 IfG-Monacle Soft Power Index considers the UK to have the highest levels of soft power in the world. In light of this increase in our soft power capabilities, and with an awareness of the need to adapt to a changing and increasingly uncertain world, the UK government and policy communities are rightly considering the opportunities for more effectively deploying soft power resources and consolidating gains. We welcome the increasing attention and the support for investing in soft power, particularly within UK government departments working overseas. We particularly welcome the inclusion of soft power in the Foreign and Commonwealth Office's business plan and congratulate the British Council for its leadership in promoting soft power.

2.1.6. It is vital to our national interest for us to build from our position of strength and maintain our investment in soft power, developing our position relative to other emerging and established countries. **We call on the committee to affirm the increasing importance of soft power in responding to today's security challenges and to encourage support for developing our soft power capabilities across government.**

2.2. How does soft power interrelate with 'harder' exercises of a nation's power?

2.2.1. Soft power assets are part of the full spectrum of means through which power may be exercised. This spectrum also includes the use of force, often encapsulated by military assets, and economic payments to achieve certain ends; collectively known as hard power. At its most effective, soft power can offer significant advantages over hard power in managing security challenges. Whereas hard power can be important to contain threats and prevent violence in the short term, soft power can aspire to go beyond this in seeking a lasting resolution to underlying conflict issues. Its subtlety can mean that it is less divisive, reducing the strain on our relationships with other countries, and it is likely to be more cost effective than military action.

2.2.2. There is currently a lack of clarity around how hard and soft power may be applied together so that each consolidates the gains of the other. It is widely accepted that containing violence through military action does not constitute a strategy in itself, and that this is unlikely to secure a lasting settlement in the absence of a robust political plan to address contested claims and issues. In the UK we also recognise the importance of working for a negotiated resolution to conflict, and we can assume that our soft power increases our influence when we are a stakeholder in such discussions. But there is no set formula for judging the combination of hard and soft power that need to be applied in any given context – except to say that the latter involves less loss of life and takes a smaller toll on our finances and international standing.

2.2.3. The Centre for Peace and Reconciliation Studies adopts an integrated approach to peacebuilding, prioritising the importance of working collaboratively with partners in a range of sectors. Over time we have gained particular experience in researching hard and soft forms of power at the points where they intersect. One such context includes humanitarian action, where there has been increasing interaction between civilian and military actors, and a drive to create policies, methods and tools to facilitate collaboration of an appropriate nature. Another includes maritime security, where a range of military and civilian actors are

currently responding to challenges like piracy, illegal fishing, trafficking and smuggling. We believe that there are transferable lessons from each of these contexts which may help us better understand the interrelationship between hard and soft power in more general terms, and especially within foreign policy.

2.2.4. Experiences from the humanitarian sphere indicate that creating a culture of dialogue, exchange and effective coordination between hard and soft power institutions will be vital if we are to fully utilise our range of security assets. What's more, while the irregularity and unpredictability of most security challenges makes it an almost impossible task for us to adopt fixed rules governing the deployment of our hard and soft power assets in any given context, it would be possible for us to iterate some basic principles more clearly. This additional clarity would help to ensure the consistency of messaging across the wide range of actors capable of contributing to – or destabilising – the UK's planned response to a specific set of circumstances.

2.2.5. We can also evidence the need to integrate hard and soft power approaches within a comprehensive framework for response through the centre's work on maritime security. Reported incidents of piracy off the Horn of Africa have reduced in the last year through a combination of international naval patrols, vessel hardening techniques and the use of armed guards. Yet while these improvements at sea should be recognised, a hard power response will do little to tackle the instability ashore which is often the source of such problems. Here the delivery of humanitarian relief and the focus on development is crucially important. Yet there remains a lack of sufficient awareness of activities on land and at sea by those working in different environments, and this is all too typical of institutions seeking to enhance security through different means. We believe that universities and research centres can play an important role as facilitators here. In this particular case our centre will be hosting a series of seminars funded by the UK Economic and Social Research Council to examine the relationship between maritime insecurity and sustainable development. This research programme seeks to bring together academic and non-academic, state and non-state actors, and has been supported by the Royal Navy and Nautical Institute. **We urge the committee to underline the importance of communication and dialogue between hard and soft power institutions in addressing security challenges, both to ensure the coherence of messaging and the coherence of action, and to recognise the role that universities can play in building cross-sectoral networks and facilitating sustainable knowledge transfer between different actors.**

2.3. What are the important soft power assets that the UK has? How can we make the most of these? What is the role for non-state actors?

2.3.1. The UK has an unparalleled range of soft power assets at its disposal. We are an outward-looking country that contributes significantly to promoting and realising a more values-based global governance. We have a strong reputation as a generous and effective aid provider and we are well recognised as a global hub for non-governmental organisations working in development, humanitarian aid and peacebuilding. We have recently reached an important milestone in our aid spending, reaching 0.7% of GNI, and we are co-chair of the United Nations committee developing the successor framework to the Millennium Development Goals. Our leadership in these areas goes hand-in-hand with the attractiveness of our cultural institutions and other soft power assets to give us credibility and leverage in global conversations on security and governance.

2.3.2. Our leadership role in development, humanitarian aid and peacebuilding is buttressed by our values. Informed by these, we invest heavily in strengthening democratic freedom, universal human rights and the rule of law. These investments are often made by UK government departments working overseas, including the Department for International Development and the Foreign and Commonwealth Office, as well as other operationally independent bodies such as the British Council and British non-governmental organisations. Importantly, our value-based foreign policy is an extension of our way of doing things at home. We are one of the world's longest standing and most stable democracies, with an exceptionally strong human rights record. In order to maintain our international reputation as a responsible global actor lead by our values, and thus to make the most of our soft power assets, it is imperative that we continue to maintain our strong domestic record on human rights and other freedoms. We must also recognise that how we pursue our goals matters. We need to be as consistent as possible in the application of our values and encourage high levels of civil society and community involvement in the activities we are involved in and the decisions we make. **UK soft power is affected by the perceptions of others. In order to make the most of our soft power assets we should continue to ensure that our actions are values-based, and that these values are consistently applied to the fullest extent possible both at home and abroad.**

2.3.3. We note with concern that investment in UK soft power institutions is jeopardised by the deficit in our public finances. The British Council, BBC World Service and British Film Institute all play an invaluable role in promoting British soft power, and each has been affected by the current financial climate. To make the most of our soft power assets we must continue to invest in them, guarding against the possibility of decline. **We encourage the committee to press the government to invest more in soft power assets like the British Council, BBC World Service and the British Film Institute, and to provide additional support for them to weather retrenchments in public spending while retaining a focus on results and value for money.**

2.3.4. A good deal of soft power projection lies outside of government, and this is particularly the case when we are deploying soft power resources in order to meet security challenges or achieve foreign policy objectives around stabilisation, conflict prevention and development. Here again a key determinant for making the most of our soft power assets lies in coordination, this time between government departments and affiliated bodies and others in the public and non-governmental sector. An integrated approach would support partnerships across different sectors, including universities, cultural institutions and businesses. At the Centre for Peace and Reconciliation Studies we are using our expertise to build up higher education sectors abroad, and have contributed significantly to developing peace studies curricula and a research culture in China, Kenya and Palestine. **Non-state actors are playing a vital role in generating UK soft power, and the government can support this through resourcing and amplification. The continuation of funding for organisations delivering soft power goals is vital, and these funding relationships need to be sustained.**

2.4. What parts do sport and culture play in the UK's influence and soft power?

2.4.1 The UK has a long tradition of sporting success and has lead the way in the inception and development of some of the world's most popular sports and sporting events, such as the Olympic and Paralympic Games. Sport is practiced in some form or other almost universally, and in terms of economics is one of the largest business sectors on the planet. It

is also often used as a political soft power battleground such is its reach and influence within society. This makes it an important area in which the UK can increase soft power influence, through activities such as hosting mega-events like the Olympic and Paralympic Games or World Championships, or through the opportunities created by having individuals in key positions within sports organisations (e.g. Sir Philip Craven as President of the International Paralympic Committee).

2.4.2 An increasing area of interest over the past decade or so, both practically and academically, has been the use of sport as a tool for peace and development. Increasing numbers of organisations are including sport within their development programmes as stand-alone tools as well as part of a more holistic approach, particularly within post-conflict zones and areas hit by natural disasters. Sports organisations and big businesses are using sport as part of their Corporate Social Responsibility programmes, while governments and NGOs are increasingly integrating sport within aid programmes as a way to lessen tensions, improve health and break down barriers. In addition, sport is increasingly being used as a way to re-integrate people with disabilities into society and to help change attitudes towards disability. Programmes such as the International Inspiration programme operated by UK Sport International, which emerged out of London 2012, allow us to increase UK reach and recognition abroad and so maintain high levels of soft power.

2.4.2 The Centre for Peace and Reconciliation Studies is actively involved in research aimed at increasing and better understanding the impact of sport and sporting mega-events as a tool to bring about social change. From September 2013 we are hosting a Brazilian research fellow sponsored through Marie Curie International, who will be researching the relevance and transferability of the social legacy programmes of the London 2012 Olympic and Paralympic Games. In addition we are implementing a four year staff exchange scheme, again funded through Marie Curie International, in which we are partnered with four other higher education providers in Brazil, Germany, South Africa and the USA. The aim of this project is to look at the management of impact for mega-events (both sporting and cultural) in order to make recommendations as to how to better ensure a lasting positive legacy. **We encourage the committee to highlight the role of sport in bringing about social change and the platform it provides for communicating soft power messages on human rights and development. We also encourage support for the role that universities play in improving our understanding in this area.**

3. KEY RECOMMENDATIONS IN SUMMARY

3.1. We call on the committee to affirm the increasing importance of soft power in responding to today's security challenges and to encourage support for developing soft power capabilities across government.

3.2. We urge the committee to underline the importance of communication and dialogue between hard and soft power institutions in addressing security challenges, both to ensure the coherence of messaging and the coherence of action, and to recognise the role that universities can play in building cross-sectoral networks and facilitating sustainable knowledge transfer between different actors.

3.3. UK soft power is affected by the perceptions of others. In order to make the most of our soft power assets we should continue to ensure that our actions are values-based, and

that these values are consistently applied to the fullest extent possible both at home and abroad.

3.4. We encourage the committee to press the government to invest more in soft power assets like the British Council, BBC World Service and the British Film Institute, and to provide additional support for them to weather retrenchments in public spending while retaining a focus on results and value for money.

3.5. Non-state actors are playing a vital role in generating UK soft power, and the government can support this through resourcing and amplification. The continuation of funding for organisations delivering soft power goals is vital, and these funding relationships need to be sustained.

3.6. We encourage the committee to highlight the role of sport in bringing about social change and the platform it provides for communicating soft power messages on human rights and development. We also encourage support for the role that universities play in improving our understanding in this area.

September 2013

City of London Corporation – Written evidence

Submitted by the Office of the City Remembrancer

Introduction

1. The City of London Corporation supports the maintenance and promotion of London as a leading international centre for financial and related business services, under the broad brand of “the City.” The services cluster based in London is a major asset to the UK. It is a significant contributor to the UK balance of payments and to the public finances and employment. Over 1 million people are directly employed in UK financial services with a further 967,000 employed in related professional services. Around two-thirds of UK financial and related professional services employees are based outside London⁵¹.
2. The City Corporation has extensive engagement with the Foreign and Commonwealth Office and UK Trade and Investment, as part of this promotional work. The aim is to support UK-based financial and professional services firms to develop business in overseas markets, and to attract enhanced levels of inward investment into the Square Mile, London and the UK as a whole.
3. Financial and professional services continue to be the UK’s leading export sector with a trade surplus larger than the combined surplus of all other net exporting industries in the UK. The value of UK financial and professional services is something that the City of London Corporation makes every effort to promote not only within the UK but on an international scale.
4. The City is fully aware of the need for British business to look not only beyond our borders, but beyond those of our traditional European trading partners. The Lord Mayor travels extensively throughout the year as part of his programme to promote British businesses abroad. The impact of the door-opening role that the Lord Mayor’s status provides is seen as particularly valuable in emerging markets and countries where there is strong government involvement in economic functions, and where building long-term relationships is essential.
5. A consistent message received by the Lord Mayor when overseas is that the UK has a strong global brand, representing a hallmark of quality and reliability in a wide range of sectors, from manufacturing and engineering, to finance, infrastructure, education, and legal and professional services.
6. The City of London’s experience is that the nature of the office of Lord Mayor and ‘the British Embassy brand’ are also very powerful and widely respected. It is right to seek to try to build on these brand assets, and the City Corporation is greatly encouraged by the recent emphasis placed by the Government on “commercial diplomacy”.

⁵¹ Trends in UK Financial and Professional Services, *TheCityUK*, June 2012.

7. Increasingly the Lord Mayor's meetings overseas are less dominated by discussions purely about financial and professional services and include more about sectors of the economy to which financial and other services are relevant such as infrastructure and manufacturing – and the framework conditions/regulatory environment in which they operate.

Trade Promotion

8. The Lord Mayor currently spends approximately 90 days a year overseas, in over 30 countries, promoting the markets and services of the UK based financial community. The focus of these visits has evolved and a substantial business delegation drawn largely from financial and business services companies now often accompanies the mayoral party.
9. There are also occasions when, by engaging through the prism of financial services, the Lord Mayor contributes to advancing wider UK commercial interests – major infrastructure projects (HVOs) are a good example. The planning of the Lord Mayor's visits routinely involves UK-based financial service firms, institutions and trade associations at an early stage in order to understand which countries are important for them, and how a visit by the Lord Mayor could help.
10. The results are analysed jointly with UKTI, and then FCO diplomatic posts are invited to bid for visits according to the priorities that have come out of the consultation exercise. Selection of successful bids is made on the basis of the potential value to the financial and related business services industry.
11. The schedule of visits is agreed well in advance of a new Lord Mayor taking office which allows staff in post sufficient time to plan a programme of meetings, especially since the Lord Mayor's visits are less at risk from domestic factors which could potentially impact on other high level inward visits.
12. The programme now regularly includes visits to major Asian markets such as India and China. However, considerable effort is made to incorporate within the programme visits to less high profile countries which are visited less often by UK Ministers⁵². Recent countries include Mongolia, Myanmar, Angola and Panama. Feedback from posts in such countries suggests that there is particular benefit derived from these visits and they are highly valued. High level engagement at post on business issues by Political and Economic staff – including Heads of Mission – adds immense value to the UK's trade promotion.
13. Each visit programme is delivered in market by economic and commercial (often UKTI) staff based in the Embassy and Consulate network, with the aim of increasing the profile of the UK-based financial services industry in overseas markets (predominately high growth markets), promoting business development opportunities for UK-based firms and influencing senior interlocutors to increase market access for such firms.

⁵² The current programme of overseas visits is available on the City of London's website <http://www.cityoflondon.gov.uk/about-the-city/who-we-are/key-members/the-lord-mayor-of-the-city-of-london/Pages/overseas-business-visits.aspx>

14. The City enjoys a close and productive relationship with UKTI, and the support provided in facilitating engagements and undertaking market follow-up is an invaluable part of Mayoral visits.
15. UKTI has a vital function in both attracting senior industry figures to visit the UK (to promote both trade and investment opportunities) and the coordination of overseas visit programmes made by business ambassadors and Government Ministers. There is however a danger of duplication of effort and it is important that UKTI maintains a proactive role to ensure that there is effective coordination of international visits across Government departments to promote the UK.
16. There could also be a greater recognition across Whitehall of the role that UKTI plays and the on-going programme of business support and engagement that takes place.
17. Effective and well-resourced UKTI teams are essential to the successful delivery of the visits. To this end, the City of London runs an annual 'Industry Briefing Course' for overseas based representatives from UKTI, which has a role in promoting the industry within their geographic remit. The week long intensive course arms UKTI staff with a core understanding of the UK-based financial and professional services industry and its role in support of the broader economy; first-hand experience and industry contacts help to increase the effectiveness of UKTI.

Inward Investment

18. In addition to the trade promotion work undertaken in tandem with UKTI, the City supports the delivery of inward investment services to assist foreign firms involved in the financial and related business services sector set up or expand in London and the rest of the UK. This includes working with firms that have been identified as targets by UKTI staff based in the overseas Embassy and Consulate network.
19. The City then provides prospective investors with a range of services including market intelligence detailing the UK-based financial and professional services industry and facilitates introductions to relevant contacts in the sector.
20. The UK's Embassy and Consulate network provides a valuable and high profile point of contact for overseas firms looking to invest in the UK; Posts form an essential tool in facilitating access to firms to discuss and encourage their inward investment plans. UKTI is well placed within central government to work with other departments on issues that affect inward investment into the UK and this can be extremely valuable.

Lord Mayor's Regional Visits

21. The Lord Mayor undertakes numerous visits throughout the UK to support regional economic activity, and to promote the contribution the City can make in partnership with the rest of the country. The Mayoralty represents the entire UK-based financial, professional and business services sector, regardless of ownership and not just those businesses based in the Square Mile. It is therefore important to maintain close engagement with all the UK's financial centres in order that the Lord Mayor, when overseas, can highlight the value that they add to the UK.

22. The range of different specialist services and cost bases available in the regions is an important competitiveness factor in the UK's global financial services offer. Regional representatives also regularly join the business delegations which accompany the Lord Mayor overseas.

City Hospitality and Events

23. The Lord Mayor and City of London Corporation, through the hosting of official receptions, meetings and general hospitality events, seek to encourage business contacts and showcase British strengths to spur new bilateral trade. The holding of State Banquets for visiting Heads of State at Guildhall and the major occasions such as the annual Diplomatic Banquet at Mansion House form part of the City's contribution to fostering diplomatic relations between the UK and other countries. This has benefits (often not readily quantifiable) for the UK across a wide spectrum but including the creation of a positive atmosphere for finance and business, and the development of a better understanding of the range of opportunities that exist for UK based firms.

Arts and Culture

24. The City of London Corporation has long been a strong supporter of the arts. The arts enhance the quality of life and help to attract and retain talented people in London. Research instigated by the Lord Mayor and published earlier this year by the City of London Corporation⁵³, explores the range of benefits that derive from the City's arts and culture cluster.
25. Drawing on data provided by a range of arts and culture organisations based in the City, the report highlights the substantial economic contribution made by the City's world leading arts and culture institutions, showing that the cluster generated a net contribution of £225 million in GVA and supported 6,700 full-time-equivalent jobs in the City, as well as providing for the City's residents, workers and visitors access to a vibrant and diverse range of world class cultural activities.
26. There is a strong history of philanthropy in the Square Mile and the legacies of individuals such as Sir Thomas Gresham and Dick Whittington are very much part of the City today. Bequests were not only for the good of the community at the time but also an investment in its future. The Lord Mayor, and the City Corporation more generally, are keen to ensure the tradition of giving. The theme of this year's Lord Mayor's appeal, 'The City in Society' reflects the City of London's contribution and ranging commitment to the society it serves in the 21st century. The Appeal is focusing on the City as a global centre for philanthropy, and particularly on its involvement in fostering the arts. By giving a platform to its chosen charities, the Appeal aims to encourage and challenge people to give more and do more to secure the future for the next generation.

Interfaith Issues

⁵³ "The Economic, Social and Cultural Impact of the City Arts and Culture Cluster", prepared for the City of London Corporation by BOP Consulting, January 2013

27. The City of London exhibits a singularly wide range of nationalities and faiths working in its businesses and visiting as tourists. Its rich heritage of religious buildings reflects the migration of different groups through the Square Mile over many centuries and provides an opening for the Lord Mayor to engage actively on interfaith issues often complemented by contacts made on overseas visits.
28. This year the Lord Mayor has engaged with a number of religious and faith leaders from around the world, and will be hosting a major dialogue and dinner on Faiths and the City that will encourage deeper understanding and promote appreciation at a time when globalisation places a growing premium on understanding and learning among disparate faith groups.

September 2013

Demos – Written evidence

Demos and Soft Power

1. Demos is Britain's leading cross-party think tank. It has spent 20 years at the centre of the policy debate, with an overarching mission to bring politics closer to the people.

2. In 2007, Demos published the pamphlet *Cultural Diplomacy*⁵⁴, which examined the ways in which cultural relations were changing – through technological innovation, migration and mass tourism – and the consequences of this for politics. It argued that mass peer-to-peer cultural contact was increasing and adding an extra layer to cultural relations; cultural contact had originally been elite-to-elite, then elite-to-many, and was now entering a people-to-people phase, through travel, migration and the internet. It found that where governments did get involved, their role was most effective when they were hands off, restricting themselves to facilitating the activities of independent bodies rather than attempting to impose control.

3. In the six years since the report came out, the growth in mass peer-to-peer cultural contact has exceeded anyone's expectations. YouTube, founded in 2006, is the most obvious and spectacularly successful example of the phenomenon. Interest in cultural diplomacy or soft power has increased, with the foundation of the Institute for Cultural Diplomacy in Berlin, the development of academic courses and a steady flow of conferences and events exploring the subject. This trend led to Demos revisiting the topic in a new pamphlet written for the British Council that sought to bring together various strands of enquiry, examine data and research, provide a conceptual framework to aid discussion, and set out some emerging lessons for countries seeking to maximise the impact of their cultural relations.

Influence and Attraction

4. The British Council and Demos report *Influence and Attraction*⁵⁵ was published in June 2013. The following paragraphs summarise the report's argument.

5. Culture and international politics are now in an interdependent relationship, where culture plays both a positive and negative role. In this new global environment, people-to-people cultural contact sets the tone and sometimes the agenda for traditional state-to-state diplomacy. Nations are increasingly seeking to maximise their 'soft power' – a term used to describe their ability to achieve their international objectives through attraction and co-option rather than coercion – in an effort to promote cultural understanding and avoid cultural misunderstanding.

6. 'Culture' encompasses publicly funded, commercial and individual 'homemade' culture. Among its core expressive activities are language, sport, education, food and religion. 'Cultural relations' refers to the sharing and communication of this culture internationally,

⁵⁴ Bound K, Briggs R, Holden J and Jones S (2007), *Cultural Diplomacy*, London, Demos, <http://www.demos.co.uk/publications/culturaldiplomacy>

⁵⁵ Holden J and Tryhorn C (2013), *Influence and Attraction: Culture and the race for soft power in the 21st century*, London, British Council, <http://www.britishcouncil.org/sites/default/files/documents/influence-and-attraction-report.pdf>

typically through education exchanges, language teaching, art performances or museum exhibitions, international broadcasting and a wide variety of other activities.

7. The forces that shape cultural relations activity include:

- foreign policy interests
- the desire to create a positive image around the world
- the unique history and legacy of each nation
- ideology
- resources
- language
- cultural assets – arts, education and individual expression
- commerce

8. The main cultural relations actors are:

- nations, states and cities
- cultural, broadcasting and educational institutions
- NGOs
- businesses
- foundations, trusts and philanthropists
- individuals, particularly artists, sports people and performers

9. Cultural relations activities include a range of traditional instrumentalist objectives, but there are trends in many countries to move beyond simple cultural ‘projection’ and towards mutuality, together with increasing innovation and a recognition of the role of cultural actors as agents of social change. Cultural relations can build trust between people and that in turn impacts positively upon a wide range of activities, particularly tourism and trade.

10. There is a growing seriousness about, and expenditure on, cultural relations in BRIC countries (Brazil, Russia, India, China) and more widely across Asia and the Middle East. Western powers face competition from emerging, high-growth economies that are becoming increasingly outward looking. By contrast, in the case of many Western nations, cultural relations have been subject to retrenchment and short-termism, as countries look inwards in a time of intense economic pressures. This is creating an inherent risk to these countries’ long-term global influence and their performance in culture, education, tourism and trade.

11. In future, the role of NGOs and the third sector will increase. New cultural networks will form at different layers of government, particularly between cities. Peer-to-peer cultural contact will continue to grow and individual citizen cultural diplomacy will increase. The level of resources invested by countries matters, but enabling a genuine and open exchange of culture and ideas will be far more important in staying ahead in the race for soft power. The most successful nations will in future be those that are flexible and open to other cultures, responding quickly to changing dynamics and global trends.

12. The implication for governments is that they should:

- create conditions for broad and deep cultural exchange to flourish – because peer-to-peer exchange is more likely to generate trust
- work with commercial and third-sector initiatives – because it encourages innovation and decreases reliance on public funds

Demos – Written evidence

- adopt a mix of traditional and digital strategies – because it is cost-effective and responds to increasing technological sophistication
- pay as much attention to inward-facing as they do to outward-facing cultural relations – because that will help develop a culturally literate and globally aware population
- support cultural exchange through independent, autonomous agencies – because direct government involvement invites suspicion and hostility
- embrace long-term relationship building instead of short-term transactional and instrumental thinking – because it is more effective

13. To make the most of the increasing opportunities for intra-UK and international communication and cultural engagement, UK citizens need to be more globally aware, skilled in languages, comfortable with difference and culturally confident. Culture itself develops through exchange, therefore the UK also needs to stay ahead in ‘the commerce of culture’ – ensuring a continuing interchange of ideas, research, creativity and artistic practice with others around the world, enriching both the UK’s and other countries’ cultural and educational sectors.

John Holden

Associate, Demos; Visiting Professor, City University, London

Chris Tryhorn

Associate, Demos

September 2013

Richard Dowden, Royal Africa Society – Written evidence

Richard Dowden, Director of the Royal African Society, Journalist and former Africa Editor of The Independent and The Economist.

1. My main expertise is in Africa where I have been involved since the early 1970s and since the 1980s have reported and analysed for a range of media. I regard an important part of my role as a journalist is to understand the thinking of ordinary people and interpret and explain to the rest of the world, their attitudes and understanding of events.
2. Based on that experience my interest in soft power is from the point of view of the subject, people who experience other's soft power. In Africa Britain has been respected and trusted. That respect was often genuine, based on the knowledge that Britain understood their situation and was ready to provide assistance and help nudge governments in the areas of freedom of speech and respect for human rights. However where soft power was used for propaganda or myth-making to cover self interest, the resulting disillusionment will last generations. Britain's reputation in Africa was severely damaged by the invasion of Iraq on false premises. Almost everyone I have spoken to believes that the chemical weapons story was invented as a pretext for invasion in pursuit of Iraq's oil.
3. The view of Britain by Africans today may also be changing for other reasons. In recent years African nations have become more self confident and are increasingly pushing back against the former colonial powers. This is not necessarily because Britain makes wrong policy decisions. The tone of "we know best for you" is alienating a new generation of self confident Africans. This coincides with a revisitation of the colonial period and a growing realisation that colonialism was mostly bad for Africa. The cleverly finessed independence process is increasingly seen as not a real liberation but a tactical retreat by Britain and France that left African countries dependent on them. This perception, combined with Africa's decade and a half of better economic growth and the new deals with China – which does not patronise Africa - have given African leaders the confidence to push back against the UK, the US and France. For example the united stand by African governments in support of Robert Mugabe after his recent electoral victory may owe more to solidarity against British attempts to bring him down than to real support for his policies. Other issues where Britain fails to recognise or understand local sensitivities are gay marriage (not popular in the world's most religious continent) and aid. Britain's policy in Africa has relied too much on aid and assumes that Africans will be grateful. Some may be, but the influential classes increasingly reject aid, seeing it as a soft power tool that weakens them and prevents them making their own choices. They also object to aid agencies use of pictures of starving, fly-blown African children which have come to symbolise their continent.
4. That is the background. In the foreground are two obvious reasons why Africans, especially the middle classes, are turning away from Britain.

5. Firstly the diminishment of the BBC World Service, Britain's strongest tool of soft power. Its reputation – justly earned but regularly ignored by UK politicians – is based on getting the facts right and giving a fair analysis. I have covered more than 24 wars and crises in the Middle East and Africa and found that almost everywhere the “good guys” - and frequently the “Bad Guys” - listen to the BBCWS. In comparison every other major nationally owned global media organisation is propaganda - although Al Jazeera comes close except when covering some Middle Eastern countries. Privately owned, profit-driven, global media have little interest in anything that does not entertain their customers. At a time when more and more stations are trying to go global, the BBC, in poll position for decades, is again suffering from cuts which lower morale and lose good journalists and contributors.
6. Secondly the failure of Britain to exploit its education system. After the US, UK universities are the preferred institutions for many people seeking respected qualifications, despite the high cost of places. The main deterrent is the extraordinary difficulty of getting a visa to the UK. In many countries in Africa would-be students have to spend over £1000 to travel to another country to buy a visa to the UK. I have come across several cases where bona fide students, having spent that sort of money, are turned down without explanation. And then there is the humiliation of arrival. As someone who makes many journeys a year from Africa to the UK, I notice that invariably only black people are questioned by the Border Agency at immigration and then again by customs. Welcome to the UK! Perhaps one of those turned away may one day be a president.

September 2013

Durham Global Security Institute – Written evidence

1. This paper is the product of a collaborative effort by staff at Durham University's **Durham Global Security Institute for Defence, Development and Diplomacy (DGSi)** and members of the Institute's Strategic Advisory Board, chaired General The Lord Dannatt. The Institute was established to focus on the interface between defence, development and diplomacy in conflict prevention, intervention and reconstruction, and to reflect critically on current practices. The focus here will be on the interface between hard and soft power in conflict situations and on how soft power can be harnessed better.

Soft Power: Goals, Audience, Agents

2. Before discussing the interface between hard and soft power, we need to be clear on what soft power should be used for, who its audience is, and who is doing the influencing. Soft power should **not simply be about pursuing the 'national interest' but should also be informed by the notion of 'global good'**. As the authors of a report on American Smart Power argue (smart power being the skilful combination of soft and hard power), the U.S. can 'become a smarter power by once again investing in the global good', reconciling 'its overwhelming power with the rest of the world's interests and values' (Armitage and Nye 2007). Although there is no global consensus on what constitutes 'the global good', the key point is that governments must try to understand the interests and values of those they seek to influence and respond to those where possible. Because cultural differences in how power, community, interests and values are understood affect social power (Lyon 2004; Kastrinou forthcoming), it is crucial that governments are informed by in-depth cultural expertise.

3. Who should be the target of soft power? Nye observed that in a world where public opinion is becoming increasingly salient, **state elites can no longer focus their efforts solely on elites in other states** (2004: 16, 105-106). Yet **governments are still unclear how to go beyond state elites** and on what basis to engage foreign publics. One of the reasons the Arab Spring caught so many Western governments by surprise is that the most effective opposition actors were informal protest networks, rather than the official parties or registered NGOs (Gunning and Baron 2013). Although some governments had engaged with these networks, many considered them too informal and lacking in leadership to be taken seriously.

4. Finally, we need to be clear about who is wielding soft power. Governments can play a central role in the creation and projection of soft power through public diplomacy, international development aid, democracy promotion and policies nurturing attractive values or culture at home and abroad. However, as Nye (2004: 14) notes, **'soft power does not belong to the government in the same degree that hard power does'**. Much of what positioned the UK first in *Monocle Magazine's* annual 'Global Soft Power' ranking (McClory 2013) was about civil society and social fabric rather than government. In conflicts, non-state actors such as NGOs or private individuals are often best placed to lead, particularly if those seeking help are non-state actors who mistrust the intentions of the government. In those instances, government attempts to become involved can undermine an NGO's credibility.

Tensions and overlap between hard and soft power

5. Nye recognises that **hard and soft power are interlinked**. Hard power can 'create myths of invincibility or inevitability that attract others', or it can be used to build the institutions that eventually will confer legitimacy on a hard power intervention, as has been the intention in Iraq and Afghanistan (with mixed results). Soft power, meanwhile, can limit what another state's

hard power can achieve, as Nye argues was the case with the way France used soft power to try and constrict the US during and after the 2003 invasion of Iraq (2004:25-30).

6. This relationship needs further reflection, particularly in the context of the blurring of boundaries between military and humanitarian personnel in conflict zones and the evolution of a whole-of-government approach in which defence, development and diplomacy are meant to work together. **Hard power can seriously undermine soft power, for example when development aid is dispensed in areas where a government is also involved in drone attacks**, as is the case with the U.S. in Pakistan. Between 2009 and 2012, when U.S. drone attacks increased, Pakistani public support for US financial and humanitarian aid to militant areas dropped from 72% to 50%, while those regarding the U.S. as an enemy rose from 64% to 74% (Pew 2012). Conversely, where development aid is too closely linked to the projection of hard power, it can come to be seen as an extension of hard power, losing much of its persuasive power – particularly when aid flows drop after the withdrawal of military personnel, as was the case with Afghanistan in the 1990s (and may happen again post-2014).

7. Similarly, **counter-terrorism laws and practices can affect the distribution of humanitarian aid** with potentially devastating consequences for target populations. In Sri Lanka, humanitarian aid following the Tsunami was severely restricted by counter-terrorism laws stipulating that no assistance, financial or otherwise, could be given to organisations thought to be affiliated to the Tamil Tigers, although these were often the only organisations with the local capacity to deliver aid effectively (Arulanantham 2008). In Palestine, counter-terrorism concerns have hindered UK distribution of aid, both governmental and non-governmental, to organisations that have only a tangential affiliation with Hamas and a track record of spending aid solely on humanitarian projects (Gunning 2007, 2010).

8. Some within DGSi argue that **soft power should be seen in non-military terms as a purely civilian activity**. Integrating the concept of soft power within the context of deploying military force can cause misunderstanding among the receiving population concerning the motivation for wanting to use soft power. For example, asking military personnel to dig wells and build roads in the types of asymmetric conflicts they are often engaged in, is short-term soft power whose motivation is often not understood by local communities and militants, with possibly negative effects on aid workers. Similarly, military or police protection of aid workers has contributed to the blurring of boundaries between soft and hard power, leading to an increase in attacks on aid workers. Because of this, it is crucial that development aid remains within the hands of development agencies, and is not transferred to the military.

9. Others within DGSi argue that **the UK's Armed Forces do have soft power roles and should develop these further**. In the context of defence budget cuts, soft power roles for the military could be attractive, as long they do not become a burdensome add-on to already overstretched forces. The development of guidelines regarding the cooperation between humanitarian workers and military forces in Afghanistan is an example of how soft and hard power can work together more effectively, although serious challenges remain in the implementation of these guidelines. Of particular importance are the stipulations that humanitarian agencies should retain their independence, ensure their security 'primarily through local acceptance', be able 'to ensure sustainable access to all vulnerable populations in all parts of the country', and that any information that 'might endanger lives ... must not be shared with military actors' (IRIN News 2009).

Recommendations

I. Greater strategic coordination between soft and hard power

10. **The potential effects of hard power on long-term soft power programmes must be taken into greater consideration.** For instance, the cost of drone strikes to soft power programmes must be included in any military assessment determining whether such strikes are effective as counter-terrorism measures. Similarly, if militancy or terrorism is exacerbated by unemployment, relative deprivation and political exclusion, **the long-term effects of hard power on development projects and society more broadly should be a primary concern of counter-terrorism strategies** (Howell and Lind 2010). Conversely, to prevent development aid or other interventions increasing the likelihood of conflict, a conflict sensitive strategy must be employed.

II. Enhancing the soft power potential of the Armed Forces

11. The UK's armed forces are among the best trained, disciplined, and effective militaries in the world with an influential role in the education and training of armed forces globally. Beyond training, **the soft power value of UKAF lies in being exemplars of what a modern professional army should be.** Particularly important is the military's relationship with democracy, its attitude towards domestic and international law, and respect for human rights.

12. The military can project soft power through involvement in **disaster relief**, although there are serious issues to be resolved concerning the use of foreign militaries in disaster zones and how they relate to the overall humanitarian relief structure. Unlike humanitarian intervention or state-building, disaster relief is short-term, usually enjoys wide-spread public support, reaps international goodwill, and does not carry the same potential for neo-colonial baggage as long-term aid involvement nor as many risks for the assisting state. Armed forces are often uniquely able to reach crises quickly. However, the use of armed forces may put undue pressure on humanitarian budgets, while decisions to involve military actors might be interpreted as political rather than purely humanitarian. Operating within an internationally agreed framework, such as that provided by the UN, may mitigate some of these costs.

13. **Environmental security** is another way for the military to play a soft power role. Some of these activities are protective, involving force or the threat of force (for example enforcement of environmental international law, protection of fish stock areas, CITES-related interdictions), but others have a straight 'soft power' rationale in being neither coercive nor rewarded. These include sub-icecap sampling (access to which is available only to military submarines), the sinking of decommissioned ships to provide reef erosion protection, and the use of military explosives to 'burn off' petroleum products spilled from tankers.

III. Enhancing the UK's mediation skills base and branding the UK as a global leader in mediation and peacebuilding

14. Nye cites Norway's focus on developing mediation skills and projecting an image of 'Norway as a force for peace in the world' through 'ruthless prioritization of its target audiences and its concentration on a single message' (Leonard in Nye 2004:12). The UK already has expertise in international mediation, both within government and among NGOs such as Coventry Cathedral's Ministry of Peace and Reconciliation, the Quakers, Conciliation Resources, the Oxford Research Group, and community groups in Northern Ireland. But **this expertise is dispersed and the UK is not universally known as a global leader in mediation.** With budget cuts and the Strategic Defence and Security Review 2015, a national conversation should be held on how to **project the UK as a global leader in mediation and peacebuilding**, to complement the global brand its armed forces already enjoy.

15. One of the reasons the UK was rated first by *Monocle Magazine* was the strength of its diplomatic network. This competitive advantage should be extended and branded more effectively. In particular, we recommend that the UK government **increases the involvement of UK personnel in international mediation, at all levels**. Unlike negotiations, which contain significant elements of hard power, mediation is towards the softer end of the peacemaking spectrum. Through its focus on listening, empowerment and moving beyond adversarial positions, it has the potential to prevent conflict and defuse it after it has erupted. Because it is non-coercive, mediation has a greater capacity to generate attraction. Whilst enhancing the training of diplomats in mediation skills is important, so is the strengthening of non-governmental mediators and grassroots organisations. This includes mapping, sharing and learning from past mediation experiences and the strengthening of academic expertise on international mediation and negotiation to feed back into the training of practitioners.

16. We recommend that the UK follows the UN's example by establishing a **Mediation Support Unit**, providing technical and administrative support to mediators, and follows the EU by pooling expertise, establishing a roster of experts and creating a framework for cooperation between NGOs and government, for example by facilitating training and exchange of expertise through annual conferences and training courses.

17. For this type of soft power to be effective **engagement must not only be at elite level but also through initiatives that include the broader public, including the sensitive involvement of those considered security threats**. Norway and Switzerland have demonstrated that it is possible to engage armed non-state actors such as Hamas or the Tamil Tigers without legitimating their violent tactics, and that such contact can at times result in positive policy changes (Gunning 2010). Similarly, there is scope in the Syrian conflict to engage non-state actors through mediation training by non-state actors.

18. **Significant expertise in international mediation exists at grass roots level, and this needs to be tapped and nurtured**. A number of local NGO's have international programmes, and have been delivering training in international contexts for years. The focus of this work has been primarily on mediation skills that develop the capacity of local actors to communicate and engage constructively in dialogue. The work of these non-elite organisations is rooted in a particular model of peace building that promotes a two-way engagement with local non-elite actors, as well as with statutory bodies such as police forces and local government. This work is based on a philosophy of local empowerment that focuses on recognition and fostering local dialogue rooted in personal experience rather than on the imposition of norms that may be divisive. By developing indigenous capacity for non-violent conflict resolution and democratic dialogue such models contribute to democratisation.

IV. Enhancing soft power through greater use of conflict expertise

20. Sharing expertise can enhance one's soft power by increasing one's attractiveness, moral authority, and ability to influence international agendas, norms and institutions. **The UK possesses a rich store of expertise and has a track record of transmitting this globally**. The shape of global governmental and non-governmental organisations from the UN to Oxfam, common law based legal orders, university and cultural structures and education more broadly as well as specific forms of diplomacy, policing and armed forces, have all benefitted from UK expertise. This utilisation of soft power has been incremental.

21. Domestically, **the transmission of expertise can be enhanced through specific structures, such as scholarships or courses** within academic institutions which can be enhanced by the Government through financing, immigration support and advertising.

Scholarships for emerging leadership who may develop strong links with UK institutions as well as with its principles, education and human rights practices are particularly valuable. Yet, the UK's ability to wield this soft power is undermined by cuts to programmes such as Chevening and the Royal College of Defence Studies, as well as visa restrictions. Within Durham University, we annually lose legitimate overseas students, including scholarship students, as a result of visa problems. The outsourcing of visa provision and the securitisation of overseas students as potential threats seem to have exacerbated this problem. Although the Chevening cuts are in the process of being reversed, greater funding, particularly in conflict, mediation or leadership studies, would be a highly effective soft power investment.

22. Externally, whilst much of this expertise has been transmitted through such organisations as the UN, the World Bank, NATO, the OSCE or the EU, expertise can also be leveraged by the UK government facilitating private provision of consultancy services by UK experts abroad. However, in recent years **the UK has fallen behind in its contribution of experts to international bodies**. For example, the UK's contribution to UN policing in post-conflict areas has dropped from 230 in 2000 (placing the UK seventh in the world) to one in 2009. **Richard Monk, former UN Police Commissioner in Bosnia Herzegovina and Kosovo**, and a member of DGSi's Advisory Board, wrote for this submission:

In 1998, the UK contributed 80 police officers to the UN mission in Bosnia Herzegovina (UNMIBH) and a UK senior police officer was chosen to be the mission's Police Commissioner. This created a presence and influence amongst national and contributing countries' contingents, with a consequent authority to contribute to high-level UN DPKO policy-making. For example, the UK Police Commissioner was appointed by Kofi Annan to the high-level UN Panel on Peace Operations, which in 2000 produced the principal reference document to be used by all future UN peacekeeping missions, the Brahimi Report. Since then, UK Foreign Office support for police capacity- and institution-building in post conflict states and states-in-transition has dwindled to the present position where we contribute a single police officer to the UN Mission in Liberia. As a Permanent Member of the UN Security Council, this greatly diminishes our entitlement to be heard on issues of post-conflict security, stabilisation and re-building.

To regain its ability to affect international policies on policing, **the UK should appoint a Police Attaché to its Permanent Mission at the UN** and re-boot itself as a police-contributing country. With 18 nations having attached Police Attachés to their Permanent Missions, the absence of UK engagement is conspicuous. There will be a formal opportunity for the UK to reconsider its soft power commitment vis-à-vis international policing at the forthcoming joint DGSi/UN DPKO meeting in the UK (November 2013) of members of the Global Police Policy Community to finalise the newly developed Strategic Guidance Framework for International Police Peacekeeping.

23. A similar shift has occurred regarding UN missions more broadly. **Dame Margaret Anstee, former UN Under-Secretary General, former Special Representative of the Secretary General in Angola** and a DGSi Advisory Board member, wrote:

Historically the UK has played a leading role in the development of UN peacekeeping. It is the member state that has probably done most to develop a common doctrine which the Defence College and the Foreign Office disseminated through training courses for military and civilian personnel in developing countries, both here, at Shrivenham, and in the countries themselves. In recent times, these have been severely reduced, a false economy that should be reversed.

Whereas twenty years ago the UK used to contribute military contingents to a number of UN peacekeeping missions – e.g. Bosnia (UNPROFOR as well as the subsequent NATO mission), Kosovo, Liberia (albeit on the margins) – to my knowledge we do not have any military contingents in any UN mission today and this has been the case for a good many years. Yet **the provision of military components to UN missions is a relatively low-cost and impartial way of supporting the internationally-accepted policy of Responsibility to Protect** that can make friends and avoid the animosity incurred by the Iraq and Afghanistan operations.

24. Expertise can also be leveraged by **the government drawing more consistently on existing academic expertise within the UK**. By up-skilling its foreign policy and international development personnel, it can increase its soft power through making staff more effective at reading underlying structural tensions and understanding public opinion dynamics beyond state elites. **Academics and experienced practitioners can advise civil servants on how to identify which non-state actors to engage.**

25. In addition, the UK has a wealth of **expertise around arms control, counter-proliferation, confidence-building measures**, and what might broadly be termed ‘security dialogues’. The UK could do more to apply its expertise (military, academic, scientific, technical) to military security problems. In this it could look to Australia and Canada who exercise great regional and international influence by ‘agenda-setting’ and bringing countries (or countries’ militaries, academics, scientists or technicians) into multilateral fora.

26. Finally, we would highlight the importance of the promotion of the **English language as a critical element in the UK’s soft power through language courses in the UK, the British Council and the BBC**. English is not only the international language of power, it is also often the language elites in developing nations use to monopolise power within their own borders and access global goods and resources. English is thus one key to internal political rights and power, to education, to promoting the growth of middle classes, and to challenge unjust rule. In Egypt, communication between local English-speaking protesters and transnational protest networks was one element in the evolution of networks and tactics that tipped the balance of power against Mubarak in 2011 (Gunning and Baron 2013). Cuts to the British Council and to the BBC, both of which promote not just English, but also an understanding of British culture, history and policies, should be reversed if we aim to harness this soft power more effectively.

18 September 2013

England and Wales Cricket Board (ECB), Lord Moynihan, former Chairman, British Olympic Association and the Premier League – Oral evidence (QQ 274-291)

Evidence Session No. 17

Heard in Public

Questions 274 - 291

Members Present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Baroness Goudie
Lord Hodgson of Astley Abbotts
Lord Janvrin
Lord Ramsbotham

Examination of Witnesses

David Collier, Chief Executive, England and Wales Cricket Board (ECB), **Lord Moynihan**, former Chairman, British Olympic Association, and **Richard Scudamore**, Chief Executive, Premier League

Q274 The Chairman: Thank you, all three of you, very much for coming to talk to us today. I should say that you should have in front of you a declaration of the interests of the people on this Committee, so you know where we are coming from. I hope that paper is in your places. As you know, this Committee is looking at Britain's power and influence overseas—so-called soft power, but obviously there are many sorts of power—and evaluating where our strengths are, where our strengths could be increased, where our weaknesses are and how we can reshape our diplomacy, and other aspects of our interface with other countries, more effectively in our own nation's interest and, indeed, in the interests of all the involved bodies. Right at the centre of this, we feel, is the world of sport. I was given a bit of paper this morning saying that 1.46 billion people follow the Premier League on television around the world, so there is no doubt about the extent and the reach of that, and indeed many of our sporting events.

Could I begin with a fairly general question to each one of you? We will then develop ideas from there. What role do you think the English Cricket Board, the BOA or the Premier League play in promoting British culture, influence and values abroad? Is sport's appeal universal? Does the UK benefit, or are there some downsides that concern you? Can we start on that? Could I start with Mr Collier, as you are sitting in the middle?

David Collier: Thank you, my Lord Chairman. When we go on overseas tours and trips, we do see it as an opportunity not only to showcase Britain but to act as a platform for promotion. I was lucky enough to be in India yesterday and to see how the Indian populace engages with cricket and sport, which is quite incredible.

Baroness Armstrong of Hill Top: It is.

David Collier: When we had the ICC Champions Trophy in England earlier in the year, we had a global television audience of over 1 billion people, and a lot of those were in the Indian subcontinent. We have just had two trade missions to India, one with the Prime Minister and one with the Mayor of London. Our opportunity is to help open the doors. When we have the team and the players there, it helps. It helps by opening the door, but that is our role. The other area we see as somewhere where we can play some role is in the support of the community. In Calcutta, there is a school called Future Hope, which we have supported over a number of years. When we were in Pakistan in 2005, very sadly when the earthquake took place, to help and give some hope back at that time was a role that we could play. We see it very much as a platform for promotion and an opportunity to showcase Britain, Chairman.

Q275 The Chairman: Mr Scudamore, I notice that the Secretary of State for Culture, Media and Sport said that she regards you as an example of soft power that underpins the GREAT campaign. She talks about the Premier League's relationship with the British Council and so on. Could you elaborate on all these aspects of your work?

Richard Scudamore: Yes, thank you, Lord Chairman. Your opening premise is entirely correct: we are now broadcasting over 200,000 hours into 212 countries across the world. Therefore, it is pretty hard to go anywhere in the world where they have not either heard of us or, certainly in most cases, seen us or some of our output. Remember that many other organisations pay significant sums of money in advertising and marketing to have that type of reach. We are in the unique position where people pay us for the privilege of being distributed in those 212 countries. Clearly there is an opportunity there to use that power—let us call it influence—more widely. This Government and, in fairness, the previous Government have recognised that.

Just like David, we have been on a sixth and are about to go on a seventh tour with the Prime Minister on a trade mission. For us, that is very much a spike in our activity. Whilst that gets headlines and it plays back into the UK, we go on a very different basis from everybody else who goes on those trips. Most other people go on those trips with a view to securing business or opening doors. We have already done our 212-country business; we are very much there to help government to create a better feel, really, about the UK. Certainly, in the last one, I think Mr Cameron's first four speeches referenced the Premier League in the opening gambit, where he said, "I am here on a trade delegation and I even have something you have all heard of and all recognise: the Premier League", and we had the trophy and everything else. I am not saying we are the vaudeville act of the trip by any means, but we are certainly there to provide a point of common discussion, a point of common interest and some levity, to lighten things, because we are clearly apolitical.

However, as David said, the most important part of what we do is the work that we do in those countries: the community work, the social-development work and the work that we do long after the trips have left the country. We are now operating with the British Council in over 21 countries. We have trained over 2,300 coaches, who have in turn trained 400,000 young people to play football.

We are into some tough places to reach, as well. The police from Rio have visited to look at and copy one of the social inclusion schemes that we operate here in the UK. We have had the police from Jakarta come, and the social justice department from Jakarta come. We have had the police in Calcutta come and the local Indian premier league have come. We are developing huge programmes in the favelas and in the slums of India, using football and

the power of football to help develop people's lives. A whole canvas goes on where we think we are making a positive contribution to how people view the UK.

Q276 The Chairman: There are many questions arising out of these things and we will pursue them. However, Lord Moynihan, you were at the heart of the whole Olympic triumph a year ago, and have been very much involved in the BOA through this whole saga. How do you see the impact and legacy of the whole Olympic scene helping this country's image in the world?

Lord Moynihan: My Lord Chairman, first, I would agree with my colleagues that sport unquestionably is a major asset in the area of soft power. It has a global outreach. We have just heard evidence to support that. If well organised, it enhances reputation and respect, and it delivers credibility. From the British Olympic Association's point of view, in deciding to bid to host the Games in London, it was very important to us to make sure that this would provide clear benefits in the context of business opportunities, particularly in the sporting context, that it would enhance the confidence of the country pan-globally and that it would have significant outreach in the Olympic family, because we are very conscious of the fact that, of the 204 national Olympic committees, the overwhelming majority of them have sport run by Governments. It is the Governments who fund the vast majority of those 204. It is the Governments who place the very high priority, therefore, on the success of their athletes. That is why it is not surprising to recognise that Kazakhstan, Cuba, Ukraine, North Korea, Iran and Jamaica were all in the top 20 countries that came here, and they all had very significant funding. The Jamaican Government put \$17.4 million into the hands of the medallists and the finalists, and I think Usain Bolt took \$2.6 million from that. That is the Jamaican Government's approach to it. We recognise that if you can host a great Games, you have that outreach to 204 national Olympic committees, the overwhelming majority of whom place the soft power of sport very high on their list of political priorities.

The Chairman: What about the lasting aspects of it all on the Olympic side? The charge was £9.3 billion. That is what we paid. What is the lasting legacy of that? Is it just a one-off thing? Do we have to keep staging all the time to make our impact?

Lord Moynihan: There are two important questions there. To answer the first one, I have no doubt at all that, in the 21st century, if you are going to host a major sporting event such as the Olympic Games, sport has to be the catalyst for urban regeneration programmes. If you look at London, the first £6 billion was spent by the ODA on urban regeneration in one of the poorest parts not just of London but of Europe. The urban regeneration investment that had to be accelerated to meet the opening ceremony is going to have lasting legacy benefits for the local communities in that area.

First and foremost, therefore, to justify the spend, the sporting element had to be written into the proposal as the catalyst for a lasting legacy for the local people. In this case, it was the East End of London. When we set to work on preparing to bid, we had the west of London as one option and the east of London as the other. Mayor Livingstone was in no doubt whatever about where he wanted it to go, for good reason. The sporting element of the financial package—the £2 billion that was raised by LOCOG—was all raised from the private sector. They took a third of their money from sales of tickets, they took a third of their money from sponsorship, and they took a third of their money from television rights. The actual running of the Games was all from the private sector. The vast majority of government money went into infrastructure: new roads, burying the pylons, improving the rail services and making sure there was a legacy in housing, both private rented and social housing for some of the more deprived communities in the immediate area of the Olympic park.

The Chairman: One sees pictures of weeds growing over the entrance to the marvellous Olympic stadium, which we all enjoyed visiting. Certainly, it looks a bit sad. Is there a danger there that this will purvey the wrong impression?

Lord Moynihan: It is apposite to quote another Select Committee of this House, which reported yesterday and said that it “searched for white elephants and did not find any”. The reality is that it is not in danger of becoming a white elephant, because at a very early stage of planning the legacy aspects, the facilities, the park, integration with the local community and new infrastructure—were all taken into account. I am a tremendous supporter of the work Sir John Armitage did in the early days. Sir John Armitage was one of the jewels in the crown of the Olympic Games, because he saw right from day one that it was vital to seek good legacy use of the facilities by the local community as well as facilities for the benefit of high-performance athletes. The local community needed to ‘buy in’ to make a very active park that had a legacy reaching forward many decades to come.

Q277 The Chairman: Unless my colleagues want to come in, let us turn to football and cricket. For football, it is perfectly obvious from the figures that you quote, Mr Scudamore, that we have a huge viewership in Asia. The global audience distribution is 31% in Asia, 23% in Europe, excluding us, and 16% in the Middle East. The extent of your popularity is not in question, but how do we benefit from it? Does the UK benefit from it?

Richard Scudamore: We benefit hugely. Let us take the direct benefit: clearly, there is an economic return for that reach. The Premier League generates some £800 million per year of international revenues, which in itself is good inward investment. As you know, that money gets aggregated with what we generate domestically, and we divide that up between the clubs not just in the Premier League but throughout the football pyramid; it funds an awful lot of activity within the football pyramid. There is the direct economic benefit of that. To give you a macro figure, we generate £1.9 billion a year, of which we will give away £268 million this year. I would challenge this Committee, or any Committee, to come up with a business with a larger gross revenue that gives away that this percentage of its revenue. This is obviously the direct benefit.

The indirect benefit to the UK is that we are referred to overseas. Whilst we have a pretty sophisticated marketing machine in the Premier League, we have been trying to get people to understand that we have a sponsor. Despite our attempts to call our league the Barclay’s Premier League abroad, once you step outside the UK it is called the English Premier League. Therefore, there is a huge association with it being quintessentially English. Whilst you can talk about foreign players and owners, in a sense they are buying into and helping promote the Englishness of it. That is what the foreign owners are buying; they are buying something that is very authentic, which has been here since 1888 and is very legitimate. In a global world, where people all over the world have the same access to images, both in television and digital terms, people gravitate towards world best.

Therefore, the reason for those audience numbers, in my view, is because what is produced here on English soil—and Welsh soil, of course, because we have Cardiff and Swansea—is something the rest of the world looks at and thinks, “We know the game football; it is a simple concept. It is 11 against 11, and it has not changed much, but we do particularly like this version of it”. It is the same reason why, in any global sport, global sporting icons will continue. We have some fantastic assets here in this country. It is not only our cricket and football, but think of Wimbledon and the British Open and a whole load of iconic sporting events. Now they can see everything, people choose to gravitate towards the best. We are lucky that we are producing the best.

This has huge impact on how positive people feel about us. You will know this. You have travelled the world; you have been to other countries. You will know that sport is a common currency and a common language, which you can talk about to taxi drivers or anybody you meet. It is not just my sport; it applies to a lot of English sports. It is very powerful.

Q278 Lord Hodgson of Astley Abbotts: I wonder whether I could press you a bit on the softer side. I understand these money benefits. This is not meant to be a negative question; indeed, I pray in aid the fact I am leaving this meeting to go and watch England play Germany at Wembley. One of the appearances of the Premier League is that money counts for everything; if you are rich enough, you do not need to worry about anything. You hardly need to worry about what a referee says. You can speak to him in almost any way. You do not need to be a lip reader to see what is said to the referees in the middle of these matches. There seems to be a question mark here: the soft power aspects, as opposed to the economic values, do seem to be very much tipped towards the super rich, the super powerful and away from the rule of law and order, looking after the smaller person, and the sort of thing we might stand for in a wider field.

Richard Scudamore: I am trying to wrestle the question from that. We are talking about sport, are we not? The reality is this—

Lord Hodgson of Astley Abbotts: Could I stop you there? When you go to watch children playing on a Saturday morning, they behave like Premier League players: they swear and shout and they curse the referee, and their fathers encourage them so to do.

Richard Scudamore: Let me go all the way back. Let me start with what I call our virtuous circle. The only way sport in this country is successful is if you put on a show that people want to watch. We will get into an interesting debate as to what sort of things people watch. We believe that the show we put on is an extremely compelling show, and people want to watch it. People want to watch it here in ever increasing numbers. The stadia are literally fuller than they have ever been. We are about to have our record season both in attendance and occupancy. Our audiences around the world are growing, and the fact is that we are putting on a show that for whatever reason people want to watch.

I do not shirk from the essence of the question: do we see things on a football field that perhaps are unedifying and you would not want to see? The answer to that is yes, but we can only go by data, and the data are that the numbers of those incidents are reducing.

Last season, only one team was charged by the FA with surrounding the referee at a game. That has come down from 19 five seasons ago. The reality is that player behaviour is actually improving. The game has improved. We look through rose-coloured spectacles back at football. As I say, I am of a certain age, and I can remember certain tackles, certain leg-breaking activities and punching. Not a single punch was thrown in a Premier League game for the past two seasons. I can produce video—not as much video, because we did not have as much taken back in the 1960s and 1970s—of more fisticuffs, more punching and more violence taking place on a football field. The difference is that we now have 32 cameras scrutinising absolutely everything that goes on. I am not saying they are perfect, but I absolutely believe, from all the evidence we have, that player behaviour is actually better than it was in the past, although it is not perfect.

We are also in a situation where, quite frankly, people are not sat watching the games for that reason. They are watching the games because they provide compelling sporting entertainment and unscripted drama. That is the most important aspect of this. I do not need to sit here and defend the popularity of our sport, but there are important things that

have happened in the past to improve behaviour. Are they all saintly? Do they all necessarily show the Corinthian spirit you might wish them to display? I cannot sit here and say they are, but it is not as bad as perhaps you might be characterising.

Q279 Baroness Armstrong of Hill Top: I am a football fanatic; you have to be to support some teams. I learnt my football in the Northern League, which will be 125 years old next year. I could go on about all that, but that is not soft power. Can I ask you how much of that £268 million is spent in the UK and how much is spent abroad?

Richard Scudamore: Of that, we will probably spend about £20 million abroad.

Baroness Armstrong of Hill Top: What sort of discussion do you have with the clubs about this sort of activity, about football being an international thing and their responsibilities internationally?

Richard Scudamore: There is huge discussion. First of all, nothing happens in the Premier League without a discussion with the clubs. I know some may characterise it as an autocracy, but it is not; certainly, it is a democracy. To get that group of owners to give away £268 million is itself a challenge, but it is a democratic challenge: constitutionally, 14 clubs have to vote for anything to happen. There is a big discussion that goes on with all our clubs about the relative merits of a number of things. Let us get away from economics: there is not a club within the Premier League that does not value, cherish, nurture, actively promote and spend its own income—not just the money we might distribute to them—on these type of activities, whether that is the community activities at home or the international activities. The clubs are fully engaged with us. We may lead and open doors; we do lots of things with confederations around the world, other football associations and football leagues. We have visits from all of them and we visit them. We take clubs with us.

An example is our Premier Skills programme, which is a coaching programme operating with the British Council, about which you have probably heard from Martin Davidson at this Committee. We operate that now in 21 countries and we are about to expand to 23. We always take coaches from clubs. We do not sit at the Premier League with a huge staff; we always take clubs with us whenever we are doing anything. In fact, we were in New York with the British Consul doing a promotion on community activity a couple of months ago, and we took club people with us. The clubs are all climbing over themselves to get involved in this on the ground. There is Sunderland's work in Africa. Chelsea has left a blue pitch behind in China. I cannot do this off the top of my head, but if you are interested I could give you a written, systematic report of where all the 20 current clubs are active on the ground internationally, trying to encourage the development of sport and football in those countries.

Baroness Armstrong of Hill Top: In relation to what you said about soft power, and in fact what David Collier said about the responsibility to sell the country and the image of the country, do you think the feeling that supporters have that we are being taken over by foreigners as owners, and the reality of the number of foreign owners there are, is a challenge to this concept that the Premier League is essentially a British institution, because football was born here?

Richard Scudamore: It is entirely the opposite: the fact that so many foreign players are able to come here, and we are prepared—

Baroness Armstrong of Hill Top: I am talking about the owners.

Richard Scudamore: I will come to the owners secondly. First of all, our international appeal is partly enhanced by the fact that foreign players play here. You get spikes of

interest in certain countries when certain players from foreign countries are playing here. It is similar with foreign owners. You cannot have it all ways. I go on these trips with David Cameron, and on these trips he talks about how Britain is open for business. If this country wishes to trade and do business overseas, the opposite is also true: these businesspeople have to be able to come and do business here.

Let me go through the fan base. When it comes to foreign ownership, whilst it is a very dangerous road to go down to put foreign owners in a group versus UK owners, I will give the Committee this evidence: I have been in this job for almost 15 years, and there is no such thing as a foreign owner or English owner by way of any distinction as to whether they are good owners or bad owners. The reality is that I have worked with good and bad, both English and foreign. The reality is that all that matters to us at the Premier League, quite frankly, is whether there are decent owners running the clubs properly and with proper probity. We are pretty much in touch with the fans. We have huge research resources; we do 30,000-fan surveys on an ongoing basis throughout. The fans are, quite fundamentally, more concerned about the success of their team and whether their team are doing well or not than the nature of the ownership of their club. That is absolutely the bottom line.

There is a similar thing in an international context: the fact that we are open to business and we welcome foreign investment stands us well around the world. It is why it makes it easier to go and speak to countries, because we are apolitical in that sense.

Q280 Baroness Armstrong of Hill Top: You say that the important thing is whether they are good owners and whether they are owners who are doing the right thing. There have been a few problems around that. Some of the evidence given to the Committee is that one of strengths of this country in terms of its soft power—this goes beyond sport—is the nature of governance and regulatory activity. Businesspeople tell us that our methods of accountancy and regulation have been something they have been able to use internationally. Is there not a bit of a problem around that?

Richard Scudamore: It is entirely the opposite. I can only tell you what I believe: that we are admired around the world for the way our football is governed. We are admired around the world for it. Let me give you some examples. At the end of the day, in our football regulation we do not regulate whether people are any good or not at making decisions. Remember, this is a sporting competition, where only one can finish first and people can get promoted and relegated. In the Premier League, we have a pretty robust rulebook on what is required of an owner in financial regulation and ownership tests. We do not have a competency test as to whether you are going to pick the right manager, pick the right players or win football matches.

However, we are admired around the world for the fact that we have taken the lead in many of these things. Our financial regulation is ahead of the curve; our owners and directors test is way ahead of what goes on in other sporting organisations within football. We have our third-party ownership rules, which means that no third party can invest in players. I have entertained 46 other leagues and football associations in three years, coming to the Premier League or us visiting them, wishing to copy our football governance, not criticise it. Whilst we have a prism here where we look critically—I can only give you the evidence—we are admired throughout the world for the way we organise football.

Baroness Armstrong of Hill Top: I would just mention Birmingham and Portsmouth.

The Chairman: I want to bring in cricket, but perhaps we can come back to it.

Q281 Baroness Goudie: Quickly, on the whole question of ethics around football and the Premier League, you have talked about a number of things involving education today. You have at no point talked about bringing up the makeup of your boards to have women on your boards. You have hardly any women on football boards, although you have a number of women who attend football matches. I have not seen anything in the press or anywhere else—I have done quite a lot of work on this—about encouraging girls not to grow up to want to be WAGs. That is all part of what I feel football should be about. You pretend and are meant to be a family game; it is quite important you put some more money into representing the other 51% of the world and Great Britain.

Richard Scudamore: First of all, these are independent, separate limited companies.

Baroness Goudie: No, but you should encourage this.

Richard Scudamore: We are not going to get involved in the board makeup of individual football clubs. We have a Premier League board, of which there are only two people; they are currently both male. The chairmanship has just recently changed. We only have a board of two.

Baroness Armstrong of Hill Top: That is a problem, too.

Baroness Goudie: That is why I am asking you these questions.

Richard Scudamore: The problem is that it is not a normal board, because the material decisions are made by 20 clubs. Effectively, you have 20 clubs as the shareholders. There are not many businesses where every shareholder gets to vote on every material issue every four to six weeks, so you do not need a wider board. When it comes to the clubs themselves, again, we are completely neutral as to what the club ownership structure looks like: having a 100% owner is entirely acceptable, as is a supporter-owned club like Swansea City. As I say, we take a neutral position as to what that is.

Coming on to women generally, though, we have hugely progressed the amount of women who attend our games. We have huge programmes in gender diversity. Also, when you look at the community programmes we are getting involved in, there are unbelievable numbers. As my colleagues will know, we are supporting Premier League 4 Sport, where, as part of the Olympic programme, we offered 12 other sports help by using the infrastructure or name of a club. For example, to Arsenal we said, “Would you mind having an Arsenal table tennis club?”. Equally, it might be badminton, hockey, judo or all these other sports. The number of take-ups in those sports through the Premier League community operation is now 37% female. Again, nearly all our community work is completely gender neutral, despite football still being a far more natural sport for boys in this country. We are very conscious of this. As I say, we are absolutely promoting the interests of women, women’s football and women’s participation in other sports. However, it is not a corporation, where I own the 20 clubs, so we are not going to get into mandating female membership on boards.

Baroness Goudie: You should be changing your ethics in that way. You should be going further.

Q282 Lord Janvrin: I am going to move on to slightly different ground. It is ground that all three of you have covered. It is more for Mr Collier and Mr Scudamore. Lord Moynihan, I am sure we will come on to the mega-events. One of the things we are grappling with is the extent to which Government can, should or should not be involved in the way in which soft power is projected around the world by, for example, football or cricket. You have both referred to the way in which the Government is looking at trade promotion on the back of sporting activities. Do you welcome that? Could more be done, or do you think

there is a danger in government being too involved in some of your sporting activities? Could you say a little about the way you see this operating in future? We are very keen to look at what we should be doing in five years' time.

David Collier: As a national governing body, it is important for us to be totally apolitical, to start with. Richard said that at the start. I see it as us promoting the national interest in many, many ways. I do not see it as a political lead as much as a national-interest lead. We have shown not only that we have the respect of the rest of the world but that we have been able to innovate with the rest of the world. The UK—England and Wales, in cricket—won the rights to stage the 2009 world event in England. We staged the ICC Centenary conference in 2009 of 106 nations. This year, 2013, we hosted the Champions Trophy. We have the Women's Cricket World Cup in 2017 and the World Test Championship, and the Cricket World Cup in 2019. That is a tremendous track record of bringing global events to this country. It is something we are particularly proud of. The influence we can have in other countries is very, very important.

I am lucky enough also to be involved in the hockey world. I was tournament director at the Commonwealth Games in Delhi. The overlap is tremendous. The amount of interest there in England was fantastic. I honestly believe that we played quite a significant role on that side. Our Chance to Shine project, which some of the Members here will be fully aware of, has gone into schools in England and Wales and has been copied around the world. We have 2 million children playing cricket, of which 46% are young girls. If that is copied in countries like India, Pakistan and, in fact, Afghanistan, it will have a tremendous legacy from this country to overseas markets.

Lord Janvrin: I appreciate all that, and I fully accept that this is terrific. My interest is that that would happen whether government was encouraging it or not, because that is what you are doing; it is what you have decided as an apolitical body. I just wonder whether there is more or less that the Government should or should not be doing in hitching on trade promotion to tours and that kind of thing. It is that area.

David Collier: Realistically, on an England cricket tour of two or three months, we probably have two opportunities to be able to support that type of activity. When we were in New Zealand last year, we had a business reception at the High Commission and a supporting event in Christchurch. When we hold those events, the most important thing is that they are fully structured and interlinked. We do not want to have different events dotted around all over the place; it has to be a consolidated event. That is the role that high commissions around the world play with us. We have found they work exceptionally well. The high commissions around the world are tremendously supportive when we go abroad, and we like to be able to reciprocate and give something back.

Q283 The Chairman: This opens up a more difficult subject, which is not merely about sport supporting the Government but about where the Government's interests on the foreign policy side begin to weave together with the activities of Olympic sports, cricket or football. Are there some dangerous areas we ought to be aware of here that worry the three of you? May I start with Lord Moynihan?

Lord Moynihan: 25 years ago, the idea of state involvement in sport was frankly unthinkable. When I was Minister, it barely registered on the agenda. Now, the reality is that it is part of the everyday landscape in virtually every country. The question is why, and the answer is that sport has universal power. Its passion and its ability to captivate are engaging the public in ways which politicians can frankly only dream of. The net result of that is that politicians are looking at the sprinkling of Olympic gold dust on their electoral

fortunes in equal measure to many millions of pounds spent on other policies. The damage that results from that, or the risk, is one of intrusion by Governments into regulatory controls or 'ownership' to the detriment of sport. On the other hand, sport stands firmly behind the view that it should be autonomous, live within the laws of the land and run its business accordingly, and, if it is a professional sport or one of the 26 summer Olympic sports, it should look after the interests of its athletes. It applies to all three of us; even cricket was an Olympic sport back in Paris in 1900!

The challenge, then, is to see how the two can be balanced. Over the next 25 years, this is going to be a major challenge for sport, politicians and the soft power element of sport: retaining that autonomy but recognising the authority of government. Take the European Union. Ten years ago there was nothing, as far as the European Union was concerned, devoted to the promotion of sport. In 2007, a White Paper on sport was published. By the time we adopted the Lisbon treaty, the European Union adopted competence in the areas of sport. Now, there are policies coming out of Brussels on gender equality in sport, fighting against doping in sport, social inclusion and volunteering. This will continue. The challenge for sport and for politicians is to find ways of co-operating, co-ordinating, consulting and working together, while respecting each other's position. However, if this carries on too far, without the checks and balances that are inherent in sport running its own activities there will be state control of sport. There is a real danger that that direction might lead to, for example, Brussels being concerned about the HSE aspects of children swimming before 10 o'clock in the morning in an Olympic final under the age of 18. You can see a whole series of different potential issues arising out of that.

With autonomy on the one hand and the growing desire of state interference across the world on the other, the job of the Olympic movement, the job of FIFA and the job of the cricketing world is to retain autonomy through co-operation, co-ordination and working closely with Governments rather than being at odds with them. That Olympic gold dust is very significant indeed to elected Governments.

Q284 The Chairman: What about when Government expresses a view about whom we should be playing against and where we should go in the world or where we should compete? Mr Collier, is that something that concerns you?

David Collier: In the International Cricket Council, we have byelaws and regulations that say that we commit to a number of tours over an eight-year period, which is what we call the future tours programme. There are only two reasons why you can cancel those tours: one is an independent safety and security assessment, i.e. that it is not safe to tour that particular country at that time, and the other one is a government instruction. It cannot be advice; it must be an instruction. There is a very clear line between advice and instruction. We have worked through a number of significant issues. I totally agree with Lord Moynihan. In terms of working closely with Government, I reference the Mumbai attack, when we were touring India at the time. Our chairman, our board and I had to decide whether we were going back a few weeks later, and we did. Naturally, we worked very closely with the Government at that time, but it was a support mechanism; it was not a control mechanism. That was what was so important to us.

The Chairman: How do you feel about the instruction side of it? It has happened, has it not?

David Collier: It has happened. It is fortunately very rare. There have been instructions from time to time. The Gleneagles agreement was a very, very good example of a clear

instruction in sport. In our view, it has to be that clear for us. We are not experts in making those sorts of political decisions. We require instruction, not advice.

Richard Scudamore: I was going to make a general comment about independence versus autonomy. I do not think there is a Prime Minister or a Government I have worked with in this job who wishes to run football. As they have consistently said, “It is bad enough making the decisions that we have to make to run the country; we would be blamed for all that as well”. Clearly, there is a separation. However, there is clearly more that government could be doing. Whilst we see ourselves as a sport, we think there is a lot of soft power inherent in the creative industries in the UK. Sport would put itself alongside architects, designers, pop musicians and filmmakers. Think of the creative industries that make people feel very good about Britain. Again, it was on show and it was well shown at the Olympic opening ceremony, closing ceremony and throughout. We showcased what was good about Britain, and so much of it was in our creative industries and our design industries; underpinning all that is intellectual property. Whilst I may be in sport, I am actually in an intellectual property-based business. Therefore, in answer to the question of whether government could do more, I think all of us would be of the view that a clear and consistent line globally on the value of a decent intellectual property base with a proper copyright regime could actually help our soft power, because so much of this soft power is tied up in these types of industries; we could be doing more.

Q285 The Chairman: Let me ask you another question about our interface with the rest of the world. Is the fact that we are members of the Commonwealth any consideration in any of your thinking? Is it something we could do more about and emphasise more greatly?

Richard Scudamore: The fact that we are a member of the Commonwealth has never actually crossed my mind in terms of how we might promote Britain.

Baroness Armstrong of Hill Top: Football is not a Commonwealth sport in the way that cricket is.

Richard Scudamore: It is not a Commonwealth sport; it is a global sport. However, there are two things we have that are a huge advantage. One is Greenwich mean time, because the fact that we are set on the meridian means doing business and communicating with the world on a global basis, where everything takes place eight hours before or eight hours after us is hugely advantageous. The other is the English language. In the work that we do with the British Council, there is no doubt about it: the universal language of business, certainly contractual business, around the world is English. Airline pilots all speak English, people contract in English, people want to learn English. Around the world we get great support from the British Council, UKTI and the Diplomatic Service, through the Foreign and Commonwealth Office. Basically wherever we go we have links with the British Council in promoting the English language. These are two very important strengths. Greenwich mean time, for doing business globally, and the English language are two things that again we should be capitalising on.

The Chairman: Of course, cricket is spiritually connected to the Commonwealth. Is that something you think about a lot?

David Collier: The whole cultural foundation of our game is based on England and the Commonwealth. We do have natural links and ties. Is it direct? No, it is not. Our use of the Commonwealth is much more indirect than direct. We are now seeing the emergence of what I see as the next generation. For instance, we have a tour by India to England next summer, and we will have two broadcasts: one will be in English, one will be in Hindi. The Hindi audience will actually be larger than the English-speaking audience. That is how it is

evolving. It is a change and a migration from where we have been in the past, but it is an exciting migration. We are getting a truly multicultural audience watching our sport. At our Champions Trophy final last summer, I would say that 80% of the crowd were of Asian origin. That is a huge change and it is something we are very proud of.

Q286 The Chairman: Lord Moynihan, the Commonwealth Games is coming up, and I know your eye is very much on that. How do you think that is going to play in the wider world, and how will it play in this country?

Lord Moynihan: In the wider world, it will be a great success. One of the great attributes of the approach that Glasgow have taken towards hosting the Commonwealth Games next year is to build on the success of the London Games, as well as the confidence the world has now in the United Kingdom to host Games. They have been very receptive to looking closely at how London was run and taking the best of London and to build on it. They have a first-rate Organising Committee that is going to organise the Games. As we have just heard, there is a strong historical tie, through sport, in the Commonwealth, which will celebrate together during the Commonwealth Games. I have every confidence that we will see a great Games next year.

That said, one of the challenges to government, and indeed to sport, is that we have often spoken about a decade of sport in this country and the importance of a decade of sport. It is very important not only that we have a series of events—be it the Rugby League World Cup at the moment followed by the Commonwealth Games, the Ryder Cup, the Rugby World Cup, and of course the Cricket World Cup coming up towards the end of the decade—that we learn from each event, that we learn best practice, that we build skills in sports management, that we assist companies that are delivering services and goods to those events, and that we see this as a sequence of events that strengthen our ability to contribute globally, both in the running of events but also in the business side of international sport. We must not lose that opportunity. It is quite easy, given the structure of sport, for sporting events to be a series of one-off events run by different groups. I would hope that government would see the benefit of building through this decade so that when we emerge out of it we do not just look at a series of great events but we look back at a much more disciplined approach to a legacy framework of excellence that can then contribute to the world, because there is a huge and growing business out there that we should be capturing. My colleagues here are frequently on planes in order to capture it.

However, this comes back to some of the tougher questions to Mr Scudamore. I have to say, when I look back at when I was Minister for Sport and the problems that I had at that time in football and look at the game today, I have seen it transformed. When I look at the Olympic Games in London last year and then look back to the *Daily Mail* headline when we first hosted them in 1908, when there was a diplomatic crisis with the United States, and the front page of the *Daily Mail* was, “Battle of Shepherd’s Bush”, which highlighted the complete breakdown in relations between the US and ourselves—talk about soft power being completely counterproductive. At that time we chose the umpires and the referees, and actually in effect managed the running of the sports in many respects. We organised that the best runners from America were not in the 400-metre final. Instead, the best athletes were competing against each other in the earlier rounds. Our policemen put on service boots when it came to the tug of war against the Americans and basically laughed them out of court, so we won gold, bronze and silver medals in the tug of war. It got worse than that. There was a crisis at the opening ceremony when the Americans refused to dip their flag to King Edward VII stating, “This flag dips to no earthly king”, which caused a massive diplomatic crisis.

We should get it in perspective that where we are today is actually a very good place. We should give credit to a lot of first-rate professional sports administrators who are now running football, cricket and our other sports. However, we must not sit still but build on that and grow our influence, because that feel-good factor is very strong now in this country, and nothing succeeds like success. We need to create a momentum of good will and opportunity that helps Governments to open doors and help build British business and influence around the world. That can easily dissipate, if we are not very disciplined and focused on continuous improvement.

Q287 The Chairman: That is a very positive and constructive view. I have one slightly negative question before we move on. Might the Commonwealth Games raise questions about the unity of the United Kingdom?

Lord Moynihan: That is a question I have been asked ever since I first got into sports administration 30 years ago. Of course, the distinction is that we take Team GB to the Olympic Games, and England, Scotland, Wales and Northern Ireland will be competing in their own right in the Commonwealth Games. The answer to that is very clear: at present, the International Olympic Committee takes the UN lead. To look at it conversely, if Scotland determines to become an independent country, at that point the IOC would look at Scotland and say, "We recognise you as an independent country, and you would have your own national Olympic committee". Until that point, they would take the position of the United Nations that they are part of the United Kingdom and part of Team GB. That is understood, and we have a healthy understanding and respect for that distinction.

Baroness Armstrong of Hill Top: Would that be true of all sports?

Lord Moynihan: It is not always without its challenges, not least Olympic football.

The Chairman: In a sense, we have had a flying start as a nation, because we were the originators of many of these sports and associated with them. What you are doing worldwide is very exciting, but is there a possibility that as the power and wealth in the world shifts outside Europe and almost the Atlantic area, other countries are going to take up these sports, promote them and promote new alliances and new leagues, which would take us away from the heights we have achieved? Is there a danger, on the football side, that our extraordinary influence and the labels of Manchester United, Everton and so on, which are known across the globe, are going to be diluted and other countries are going to take a more prominent position?

Richard Scudamore: Obviously there is a theoretical, and perhaps real, possibility that others will grow and start to compete. However, there is an evolution about these things. If you go back to the early 1980s, the Italian teams were probably the people who exported most and were the most dominant world league in football. Clearly the Germans are doing pretty well at the minute. Their national team and their league are both doing pretty well. We are not complacent about that. However, you have to look at what the drivers of interest are.

I go back to my previous point: we need to continue to try to put on the best possible show. By that I mean an absolute focus on keeping the best talent on the field and basically making sure that what you watch is as good as it can be, and by making sure that grounds are full and that the clubs work extremely hard. Despite many headlines about ticket pricing and everything else, the clubs work extremely hard to discount and to make sure that grounds are as full as they can be. We have to make sure those stadia are modern and fit for purpose.

There is one big threat, which is the integrity threat in betting and betting manipulation. Our game is seen across the world as the most honest game. Yes, the Chinese betting market bets on our football, because they believe it to be the most honest form of football in the world. As long as we keep protecting the things that drive the interest and credibility of our sporting competition, I see no reason why we cannot keep up with the rest, if not stay ahead of them.

Will others get near us? Yes, they will, as the Germans are doing now. Will other countries develop their football? I am sure they will. I am absolutely certain that China, India and the US will have professional leagues within my lifetime that are extremely strong and credible, but if we keep doing these things properly and protect the integrity of what we do, and keep reinvesting and doing the right things, I see no reason why we should not keep ahead of the pack.

David Collier: We would see it as an opportunity and a bonus, actually, because we would see the whole balance of us exporting some expertise to help other countries develop as actually what we should be doing. We have wonderful universities like Loughborough, which develop top-class sports administrators. That is a fantastic thing that this country exports. If we look at where we have been at the past in cricket, only 20 or 30 years ago there was a veto between England and Australia that could hold back every other nation. To me, that is not a democratic way of running a world governing body or an organisation. We are now in the situation where countries are seeking our help and influence to help them reach that next stage. It is good for us and it is good for world sport if other countries become more professional.

The Chairman: Is cricket spreading internationally? One occasionally sees rather vacuous headlines about the United States getting more involved and that sort of thing. Is that actually a phenomenon going on? Are more countries becoming cricket mad?

David Collier: The third largest television audience for the World Cup was out of the USA. It is growing enormously, particularly down the eastern seaboard. Again, it is partly an Asian population down that eastern seaboard that has started to take up the game. I lived in Texas for a time and we had a Dallas County Cricket Club, would you believe, there.

Richard Scudamore: Is there a Dallas County Cricket Club?

David Collier: Yes, Dallas County Cricket Club. It is spreading. We have 106 countries around the world. China is playing more and more cricket based out of Shanghai and Hong Kong, obviously due to the influence there was there. Afghanistan has just qualified for the next World Cup, which is a fantastic achievement.

Baroness Armstrong of Hill Top: It is, yes.

David Collier: When we see that story, and the Afghans coming over year to Lord's last year to train and play, it is a story that sport should be proud of.

The Chairman: That is a very interesting answer.

Q288 Baroness Armstrong of Hill Top: The real threat to cricket in many senses has been the betting and the problem of that in India. The growth of the Indian Premier League has encouraged a very different approach. What are you learning from the strengths of the game in India, and what have you been doing around the gambling problem? We did have it in this country. How is that being dealt with internationally?

David Collier: Betting and gaming is the area of sport that keeps me awake most at night at the moment. It is very difficult. When Hugh Robertson was the Minister for Sport, at the

Commonwealth Games in Delhi we talked about it on the night before the Commonwealth Ministers' Meeting. In a market that does not even allowing gambling, how you could even think about legislating in the Asian market in that area is a very difficult problem. Betting and gaming is not solely a problem out of India by any manner of means.

Baroness Armstrong of Hill Top: No, I know. It is because cricket is so prevalent in India.

David Collier: Absolutely, and the amounts that are being bet on sport are huge. We have had input into the Gambling Act at the moment. We are very concerned that we would need a major events bill, not only to promote major events in this country, but to help us. Richard mentioned intellectual property. A lot of the protections that were put around the Olympics would be wonderful for us to have. It is very difficult for us to explain, after the Olympics, that to ticket tout a ticket for the archery was illegal and the next week it is not illegal in cricket. It is very difficult to explain that to the general public. This is why we think the consistency of a major events bill is something we need to take forward.

Baroness Armstrong of Hill Top: That is interesting.

Q289 The Chairman: I would like to come on to the soft-power aspects of our discussion and the additional contribution that your sports are making to development in other countries. The Premier League does a lot in Africa, does it not? You mentioned it earlier. Could you tell us a little bit more about what you do?

Richard Scudamore: Yes, we have extensive activity across a whole range of countries. Let us break it down. There is a community-based action programme. The main programme is called Premier Skills. Premier Skills is a coaching programme that coaches coaches, because there is very little point in us trying to send enough people abroad to coach actual players. We just could not send enough to make it effective. It is a case of teaching someone to fish and you feed them for a lifetime. We have coached 2,300 coaches around the world, working with the British Council, which is an extremely strong partnership. We will soon be in 23 countries: 400,000 young people have been trained through that.

There is a more difficult to achieve yet very rewarding break-off from that, which is where we blended our Premier Skills activity with a scheme started here in the UK that came out of the discussion with the police regarding police charges, where we argued that we gave a lot back to communities and therefore our games should be policed and the police wanted to charge us more outwith the footprint of football clubs. That discussion between the Metropolitan Police and me—Philip French, who is sat behind me, was with me then—resulted in a programme called Kickz, which is our football clubs going into the toughest urban areas in this county as a diversionary activity, after schools on Thursdays, Fridays and Saturdays, taking young people in and teaching them football. It has extended out to pop music, and various other sports have been involved and have copied the model. We have taken that internationally, and the police from Brazil, Jakarta and Calcutta have been to copy this scheme, as I said. We are working with police forces in various parts of the world. A whole load of activity goes on throughout all these countries.

The other development activity, which is more on the administrative side, is where we spend an inordinate amount of time visiting and developing relations through all the various confederations and other football bodies throughout the world. As I say, we visit, we hold workshops, we have best-practice sharing sessions. We cover a whole range of things, from governance to how form a league or write a rule book. There is a whole load of stuff we do throughout the world with many confederations. London is a very popular place to visit: not a week goes by when there is not another league or football association or football club

somewhere that wants to come and visit the Premier League and find out what we do. I am not dismissing the discussion we had earlier about some of the issues—nobody is saying what we do here is perfect—but I still would contest that we are the envy of many in the world.

Here is a view: you cannot only want to do business in these countries, you have to put some effort into soft power to make it actually live and feel real for those people that are viewing this. Without all that other activity, it would be a very hollow thing we did, so we take it very seriously and try to live up to those responsibilities as best we can—very ably assisted, I have to say, by the clubs, which are very willing to take part in those activities.

The Chairman: We are generally pretty proud to run an enormous overseas development programme in this country. Do elements of that back up your work in sports and community work? Is there a link between the two?

David Collier: With the Department for International Development, for instance, we ran a programme regarding HIV in the Caribbean three years ago with Lord Newby. On a very similar programme, we have an education and literacy programme running out of India at the present time. We have partnerships with organisations such as Magic Bus. There is a whole series of those activities.

We have touched on Afghanistan, but this summer it was quite remarkable to see the Maasai warriors coming over to the UK in full regalia and playing at Lord's. The amount that has done to stimulate interest in the Maasai has been absolutely enormous. We have many links, not only through domestic programmes but through those international programmes.

Lord Moynihan: In the Olympic movement, one of the key issues in 2005 was to ensure that international development was at the heart of what we were going to do over those seven years building up to 2012. I declare an interest as one of the founding trustees, when we set up International Inspiration. International Inspiration reached over 16 million children across the world and sought to change and improve their lives through educational projects, public health projects, inclusion and community cohesion initiatives, and the empowerment of girls and women, which was a very important part of that. All that was done working with British government agencies as well as the United Nations family.

One of the things we pushed hard to do was to support the IOC in its attempts to gain observer status within the United Nations, which it has succeeded in doing. That has provided a transformational opportunity for the Olympic movement. We now have the UN Office on Sport for Development and Peace, based in Geneva, which makes recommendations directly into national and international strategies of national Governments. The Foreign and Commonwealth Office has been very supportive of this, as it is with the Olympic Truce, which is a very important part of the work the Olympic family seeks to support. Again, it comes back to the point I made about the transformation of sport over the last 25 years. Sport now touches virtually every British government department's agenda, let alone, internationally, every Government's agenda. Through development initiatives, we can seek to engage in a way that we never did 25 years ago, which has really gathered momentum over the last five years. Hosting the Games here helped us accelerate our involvement in a range of projects, not least, as I say, International Inspiration and the IOC observer status at the UN.

Richard Scudamore: I cannot let the moment go. Lord Moynihan would acknowledge that the Premier League was the first to commit to funding International Inspiration, and we remain the largest contributor to it. We were the first to come out of the blocks after the Singapore decision. Again, there is joined-up-ness even on this table.

Lord Moynihan: Especially on this table.

Richard Scudamore: Especially on this table.

Q290 The Chairman: You have all had a great story to tell, but can we have the final bit of our discussion on the Government and what you feel our Government can do more to reinforce your, in many areas, highly successful operations, and what government should stop doing, which might get in the way of your highly successful operations? Obviously, this Committee is going to report on the governmental aspects of soft power and it is by no means owned as an issue by government as a whole. It is a many headed interface between this nation and others, but if in the quiet hours of the morning you are thinking, “What more can these people at Westminster and Whitehall do?”, what is your answer? Who would like to start?

David Collier: I would have one single answer, and that is the one I touched on earlier, which was the Major Events Bill. The reason for that is that it brings great revenue into this country when we hold global events. We cannot compete with some other nations unless we have some of the protections that were afforded around the Olympics. We learnt an awful lot from the Olympics. That experience was hugely beneficial. Areas such as ticket touting, betting and gaming could easily be covered in that Bill and legislation. We would not then have to go back, independently and individually, to the Minister to seek protections that are required from world governing bodies every time we bid for an event. Every time I bid for a cricket event, I need to go back to the Minister to seek help on specific areas such as visas and touting. If we could bring through a major events Bill, it would be a tremendous step forward for this country.

The Chairman: That is a very clear answer.

Richard Scudamore: I have touched on mine already, but I will widen it. We need consistency, really. We are open for business. Would the Government please be consistent about the fact that we are open for business? Would they have a consistent view about IP? I find government far happier to preach to the Chinese about IP when we are in China than when we are around the table in Brussels, and I certainly do in the corridors of these two institutions here, because it is politically more difficult to do it here than it is when you are in China. It is the same elsewhere. If we visit universities in India and the Universities Minister is with us, we are hijacked by the fact that Indian students are not getting visas. Even the most talented, brilliant students have difficulty with visas. Again, when I travel the world, we are faced with inconsistency all the time. I would ask that the Government at least try to be consistent about whether we are open for business or not. If we are, let us have a consistent policy about the fact that we are open for business.

The Chairman: For one moment, I thought we were going to have a session in which the visa issue was not going to be mentioned, but I was wrong; it comes into everything. Thank you for highlighting it. Lord Moynihan, do you have a final thought on this main question for government?

Lord Moynihan: From the perspective of the British Olympic family, the answer is very clear: work day and night to ensure that we have a lasting sports legacy in this country from these Games, for our young people in particular, able bodied and disabled, through a coherent legacy plan that improves facilities, recognises the power and impact of sport on local communities, improves the quality of coaching, primary school teaching and sport in schools, and recognises that we should have a step change from what we had when we went into the Games as a result of hosting them. We had the most magnificent Games. Now, let us make sure we match it with an outstanding legacy.

Q291 Lord Ramsbotham: I have come back from Kenya, where I was inspecting prisons. I asked the high commissioner what the most significant thing as far as British soft power in Kenya was concerned, and he said the Premier League. I then went to a prison where I met a marvellous Kenyan marathon runner, whose first experience of coming abroad was the Commonwealth Games in Manchester. She said that she has never forgotten the way in which Manchester welcomed her at the Commonwealth Games.

Just picking up on Lord Moynihan's point, I went and studied what Manchester had done to exploit the Commonwealth Games, and how Manchester had welcomed it. They had used it to provide a framework for everyone who wanted to get involved with any sport, to come in, join, learn and develop it. I rather hoped that would have happened with the Olympics, and it does not seem to have happened. We do not seem to have learnt the lesson of Manchester. It is a great pity. I do not know whether you would agree.

Lord Moynihan: We have in some sports, but not in all. The classic example of where we have is cycling. We have now enhanced our reputation globally through Brian Cookson winning the presidency of UCI. We have had two consecutive British Tour de France winners and we have built a tremendous industry push, both in this country and globally, on the back of that success. We now have cycle lanes and linked-up government initiatives to support cycling. We have Olympic success. We have more people cycling to work, partially because of growing congestion on the roads. This will be a \$64 billion global business by 2018, and our share of that business has gone up nearly £1 billion in two and a half years. It shows that by co-ordinating and co-operating with government you can build on the success that we unquestionably had during the games at cycling and its wider popularity. However, in many other sports we did not.

In terms of welcoming the 10,500 athletes of the world, I always said that the key to the success of the Games would be listening to them as they left. They went back around the world having experienced much of what we did, which was an extraordinary sense of self confidence and a certain pride, but a certain humility in the pride nevertheless, because it could easily have gone wrong on so many occasions. We have done something outstanding in sport. My belief is that we should not see it in isolation; we should be working together to make sure that in this decade we consistently win bids to host international and European events, and that we consistently learn from each event to improve our ability to look after the athletes who we are there to serve.

Richard Scudamore: My Lord, your survey of one in Kenya is replicated throughout the world. The many surveys done by Populus rank the Premier League alongside, in any particular order, depending on which country, the monarchy and the BBC as the most admired British institutions and the institutions that make people feel better about the UK. In India and China, we are actually number one, ahead of those two. Again, your survey of one is sound.

The Chairman: Just to add to Lord Ramsbotham's question about Kenya, we do not have anyone from the world of tennis here today, although we all know about our tennis influence on the world, starting with Wimbledon. Some of the most satisfactory feedback I have ever had from someone in relation to sport and aid was from the supply of tennis balls to primary and secondary schools in Kenya. This produced effusive thanks far beyond what was offered in the first place, and it reminds us all that sport can be extremely rewarding in every aspect. Thank you very much indeed for telling us your story today. You may have problems, but your successes outweigh your problems, and obviously want to be built upon. Thank you very much indeed.

England and Wales Cricket Board (ECB), Lord Moynihan, former Chairman, British Olympic Association and the Premier League – Oral evidence (QQ 274-291)

European Economics and Financial Centre – Written evidence

*Written Evidence by Prof. H. Scobie
Chairman, European Economics & Financial Centre
to House of Lords Select Committee
on Soft Power and the UK's Influence*

Below is the European Economics & Financial Centre's response to a selection of the questions which were stated in the PDF file that was sent by the Committee to our Centre.

Q1 What are the most important soft power assets the UK possesses? Can we put a value on the UK's soft power resources?

A1 The most important soft power assets that the UK has are:

- (a) English Language
- (b) Telecommunications
- (c) TV news & documentary services
- (d) Fashion trend setting
- (e) Its creativity in a variety of areas

A value can be put on the UK's soft power resources given ample time and the necessary resources. One way of assessing the value would be in terms of increased exports of goods and services. For the assessment of the return one can apply the discounted value of future returns. However, the returns would have to be projected on the basis of certain assumptions and expectations. It cannot be assessed just in terms of the most recent values of the external trade account.

Q2 Is the Government doing enough to help the UK maximise the extent of, and benefit gained from, its soft power? What more – or less – should the Government do to encourage the generation and use of soft power?

A2 No - the government is not doing enough to help the UK maximise the extent of, and benefit gained from, its soft power. The government should give more support to both R&D and higher education as well as giving tax breaks to those who generate exports.

The government should promote and do some of the marketing abroad for UK businesses, especially for small and medium-sized enterprises. SMES do not have the resources and cannot afford the cost of travel to trade fairs in other countries. UK embassies could introduce potential parties abroad who could partner with SMES and do the marketing and sales on behalf of the UK SMES in different countries abroad (on a commission basis).

Q3 How can non-state actors in the UK, including businesses, best be encouraged to generate soft power for the UK, and be discouraged from undermining it?

- A3 The government could encourage UK businesses to join international associations. For example, the International Association of Business Schools encourages British businesses to have links with other businesses abroad.

The following are some examples that can undermine UK soft power:

- Football hooligans being too nationalistic can undermine UK's soft power
- All the negative talk about UK leaving the EU. Countries can no longer be self sufficient.

If the UK did not have immigrants, inflation in the country would be higher. Foreign workers have to work harder to keep their jobs and are more cost effective for employers. It is no accident that foreign workers such as East Europeans become hired.

- Q4 How can non-state actors in the UK, including businesses, best be encouraged and assisted to benefit from the UK's soft power? How can the UK mobilise its soft power resources to boost trade with other countries and foreign direct investment in the UK?

- A4 The UK economy is best served by remaining in the EU. Foreign direct investment comes to the UK in order to export to the EU. The UK market by itself is not large enough for foreign investors. Ireland expects that if there is an EU referendum in the UK and the UK pulls out, FDI could be diverted to Ireland.

Businesses have to adapt to international standards and norms. For example, British companies in the old days did not put plugs on their electrical appliances which they sold. American companies, on the other hand, sold their appliances with plugs. Separate hot and cold water taps, especially on airplanes, is another example of how the UK does not try to conform to international standards and norms.

Finally, foreign direct investment can be encouraged through tax incentives.

- Q5 Who should be the target audiences, and what should be the aims, of the application of the UK's soft power? Is the UK using its soft power well and to the right ends?

- A5 The target audience for longer term promotion of soft power should be towards the younger generation through universities and other training colleges. For the shorter term, soft power can be aimed towards businesses.

For the assessment of the return one can apply cost-benefit analysis and estimate returns on the basis of Net Present Value.

Such returns would have to be forecasted on the basis of certain assumptions and expectations. It cannot be assessed just in terms of the most recent external account balances.

The government needs to think long term. For example, Vogue magazine invested in Russia and after 3 – 4 years, just as they were thinking of withdrawing their

publication, their circulation escalated and they decided to remain in Russia. The current UK investment in soft power is not adequate. There should be less interference in other countries' affairs and their revolutions, such as in Libya. UK businesses should also strive for better industrial design of goods & services.

Q6 Is there sufficient return for the Government's investment in soft power? Is the Government's investment adequate?

A6 It is not clear how much and in what way the government has invested in soft power so far. However, whatever it has, it does not seem to be sufficient.

September 2013

European Policy Forum, Open Europe and Centre for European Reform – Oral evidence (QQ 165-175)

European Policy Forum, Open Europe and Centre for European Reform – Oral evidence (QQ 165-175)

[Transcript to be found under Centre for European Reform](#)

Exporting Education UK (EdExUK) – Written evidence

1. Exporting Education UK (ExEdUK) is pleased to make this submission to the Lords Select Committee on Soft Power and the UK's influence, which we strongly believe is timely and necessary.
2. Exporting Education UK is a broad group of UK-based companies and organisations involved in education as an export (either educating foreign students in the UK or abroad) who have come together to promote the value of the education exports to UK plc and its contribution to the UK's long term competitiveness in the global economy. We currently have over 20 members, who span the full range of education from Pre-preps, Prep schools, High Schools, Sixth Form, FE & HE colleges, Professional Colleges and Education Publishers, all of whom are exemplars of UK education. A full list of members is included at the end of this submission.
3. As institutions whose main activity is to promote British education to international students - many of whom have done so over many years – we have a great deal of experience of building relationships with international students from around the world and follow their subsequent progress with interest and pride.
4. Our experience leads us to believe that the relationships which international students establish with the UK and their experience of their time in the UK have tangible short, medium and long term benefits. We were pleased to see government recognition of these benefits with the recent publication of the BIS Research Paper on the *Wider Benefits of International Education in the UK*.
5. There is, however, an urgent need to establish a metric which seeks to quantify these benefits. We believe this would be an invaluable aid for developing a supportive policy framework which creates an environment for growth in British education exports and international education in the UK. Large scale economic and statistical analysis of this kind could usefully be commissioned by government.
6. ExEdUK have also commissioned some work to analyse patterns of contact with British education of some of the world's most successful and prominent people in a variety of professions. We will share this with the Committee as soon as it is completed.
7. In addition, OC&C Strategy Consultants, an ExEdUK founder member, is currently completing a research study in partnership with Google examining the opportunities associated with the internationalisation of British higher education. This is due to be launched in London in November.
8. In the interim period we would be very happy to give oral evidence to the committee to share the collective experiences of the UK education providers who are our members.

Appendix: Members of ExEdUK

- ACS International Schools (www.acs.schools.com)
- Association of Colleges (www.aoc.co.uk)
- Alpha Plus Group (www.alphaplusgroup.co.uk)
- BSA (www.boarding.org.uk) (awaiting confirmation)
- Cambridge Education Group (www.ceg-uk.com)
- Dulwich College Management International (www.dulwichcollege.cn)
- English UK (www.englishuk.com)
- Excellence Education Group (www.duffmiller.com)
- Funding for Independent Schools (supporter) (www.fismagazine.co.uk/)
- GL Education Group (www.gl-education.com)
- Greenwich School of Management (www.greenwich-college.ac.uk)
- Independent Schools Council (observer status) (www.isc.co.uk)
- Independent Schools Inspectorate (www.isi.net)
- Kaplan UK (www.kaplan.co.uk)
- Malvern House (www.malvernhouse.com)
- Mander Portman Woodward (www.mpw.co.uk)
- QA (www.qa.com)
- Study Group (www.studygroup.com)
- Study UK (www.study-uk.org)
- OC&C Strategy Consultants (supporter) (www.occstrategy.com)
- Wild Research (Supporter) (www.wildsearch.org)

September 2013

Exporting Education UK (EdExUK) – Supplementary written evidence

1. Exporting Education UK (ExEdUK) is pleased to make this supplementary submission to the Lords Select Committee on Soft Power and the UK's influence, which contains further thoughts on action by Government which would help ensure that the UK is effectively positioned to maintain and extend its influence in the space of international education.
2. Whilst the UK currently has an enviable reputation for both school, further and higher education across the world, the market for international students is an intensely competitive one. The USA, Canada and Australia all have strategies in place to grow their market share. Our European competitors in France and Germany are now beginning to teach courses in English in order to attract greater numbers of international students.
3. So whilst our reputation is high and numbers of students from some places are increasing, our share of a fast growing market is declining.
4. To ensure that the UK's position is not eroded over time and that the short, medium and long term soft power benefits are not lost, we believe the Government must act now to support our ability to compete effectively.
5. We believe the Government should consider the following:
 - The introduction of a 5 year student visa to cover two years of A level and a three year course in a higher education institution. This would be subject to the awarding and take up of a confirmed place at such a higher education institution. This would remove the need for the student to apply twice for a visa and would encourage greater numbers of international A level students applying to independent schools and sixth forms with the benefit that the vast majority of these would then continue their education in the UK rather than look to the USA, Canada or Australia.
 - Increasing the resources available to UKTI Education to enable it to increase its ability to broker relationships between UK education providers and opportunities in key markets. This should include marketing and on the ground support, as well as more opportunities to partner UK providers to jointly bid.
 - Increasing the number of visa processing centres in key and emerging markets (for instance there is no centre in Myanmar) to ensure there are fewer practical impediments for suitably qualified international students wishing to apply to UK institutions.
 - Commissioning detailed research to evaluate and quantify the short, medium and long term impact of soft power derived from contact with UK education.

This is an area which is currently under-researched but where better information would greatly improve the targeting of policy.

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- Funding for Independent Schools (supporter) (www.fismagazine.co.uk/)
- GL Education Group (www.gl-education.com)
- Greenwich School of Management (www.greenwich-college.ac.uk)
- Independent Schools Council (observer status) (www.isc.co.uk)
- Independent Schools Inspectorate (www.isi.net)
- Kaplan UK (www.kaplan.co.uk)
- Mander Portman Woodward (www.mpw.co.uk)
- QA (www.qa.com)
- Study Group (www.studygroup.com)
- Study UK (www.study-uk.org)
- OC&C Strategy Consultants (supporter) (www.occstrategy.com)
- Wild Research (Supporter) (www.wildsearch.org)

October 2013

Dr Ali Fisher – Written evidence

Bio

Ali Fisher is an advisor, strategist and author on methods of achieving influence across a range of disciplines including Public Diplomacy and Strategic Communication, Counter Terrorism, Child Protection, Human Security, and Public Health. Across these diverse disciplines Ali's work enables organisations to identify and build networks of influence.

Ali specialises in delivering insight into complex information ecosystems through network analysis and big data. In his work Ali has: collaborated with organisations seeking to track and counter the behaviour of extremists online; helped international foundations to identify, reach and support influential activists working in closed societies; and analysed the use of social media and role of journalists during large scale social movements.

Ali previously directed Mappa Mundi Consulting and the cultural relations think-tank, Counterpoint. He worked as Associate Director of Digital Media Research at Intermedia, where he continues to be an associate, and has been lecturer in International Relations at Exeter University. Ali received his Ph.D. at the University of Birmingham.

His books include Collaborative Public Diplomacy (2012), The Connective Mindshift(2013), and Trails of Engagement (2010).

This document is submitted by Ali Fisher acting as an individual.

Summary:

This submission addresses two questions relating to UK soft power:

- How best should the UK's foreign policy and approach to diplomacy respond to the new global communications environment, where social media have rapidly become prominent, where alternative media organisations (such as Al Jazeera) have multiplied in power and reach, and where the grips of traditional elites on the flows of information in their countries have weakened?
- How should the UK best respond to the more prominent role in international affairs played by non-state actors and emerging powers? Can the UK shape this landscape as it develops, or must it take a purely reactive approach?

The central argument of this submission is that in a networked world too great an emphasis on soft power can limit the ability of a nation to embrace the full range of opportunities available when seeking to have influence in the new global communications environment. This is not to ignore the value of 'soft power resources' such as the British Museum, BBC World Service or British Council, but to argue there are a wider range of options through which the UK can achieve influence, than those narrowly conceived within the definitions of hard power and soft power.

This argument is put forward because the new global communications environment, and in which the 'soft power resources' of the UK operate is a complex information ecosystem in which communities communicate and share information. Successful strategies within the new

global communication environment focus on achieving impact at specific points within 'networks of influence' which comprise the information ecosystem.

Equally, emerging powers and non-state actors are increasingly able to leverage influence within the new global communications environment by developing strategies specifically suited to the information landscape of the twenty first century. As a result, it will be increasingly important for the UK to recognise the landscape created by the new communications environment and use the tools capable of analysing the complex networks of influence which have many hubs, or coordination points, through which influence flows in multiple directions.

In this environment the UK think beyond the representational or assertive approaches deployed through a 'soft power' strategy, and as a result be able to deploy approaches appropriate to a networked age, including greater use of facilitative and collaborative strategies.

For the UK to continue to be influential in the international environment, UK soft power resources and the institutions responsible for them will need:

- To make greater use of collaborative strategies when seeking influence within the international environment.
- To leverage the increasing quantities of publicly observable and open data sources in designing programs intended to extend the influence of the UK.
- To use the available data to better understand the complex networks of influence which shape the new global communications environment

Written Evidence:

This submission draws on the contemporary study and practice of public diplomacy, which has increasingly focused on multilateral initiatives, working in partnership, and collaborative or cooperative approaches. The following is an edited text taken from:

Ali Fisher, *Collaborative Public Diplomacy: How Transnational Networks Influenced American Studies in Europe*, Palgrave Macmillan, 2013. ISBN13: 978-0230338968

The power of networks

- I. R. S. Zaharna's *Battles to Bridges* provides a breakthrough in the understanding influence in an international environment. The work expands significantly the literature on the role of relationships within Public diplomacy. This expands the work of Brian Hocking, Amelia Arsenault, and Geoffrey Cowan, from the conceptualization of collaboration to that of practical application and policy analysis.⁵⁶ Increasingly public diplomacy focuses on partnership and collaboration. In doing so scholars recognize the role of relationships and the larger network structures these relationships create. These developments in public diplomacy can be enhanced through the research into the influence of networks on human behavior.

⁵⁶ G. Cowan and A. Arsenault, "Moving from Monologue to Dialogue to Collaboration: The Three Layers of Public Diplomacy," *The ANNALS of the American Academy of Political and Social Science* 616, no. 1 (March 1, 2008): 10–30.

2. The study of networks has a long and distinguished history.⁵⁷ Recently the increase in computing power has significantly expanded the potential to investigate ever-larger networks. The analysis of public diplomacy by Brian Hocking and R. S. Zaharna draw influence from the concepts of “boundary spanners” and “network weavers” developed by network analysts including Valdis Krebs, Everett Rogers, and Thomas Valente.⁵⁸ Key within these concepts is the in meaning of the term “periphery.” Contrary to colloquial use, when applied to a network infers the potential of great influence and importance. Thomas Valente has emphasized “the importance of marginals who act as bridges in diffusion.”⁵⁹ Across these bridges new ideas, perspectives, and information can flow into a network. In public diplomacy, the factors that influence these individuals will be of growing importance as the emphasis on collaborative working and evaluating impact increases in scholarship and practice.
3. This work is supported by the role of weak ties within a network. In the article “Strength of Weak Ties,” Mark Granovetter demonstrated the importance of those more distant members of a network in providing new information from diverse sources.⁶⁰ Strong ties, those through which an actor is in closest contact, have a role in sustaining the core activities of a network. Weak ties link to the periphery of an actor’s network; in doing so weak ties have the potential to increase the size and diversity of an actor’s information horizon. If identified, these weak ties have the potential to increase the impact of public diplomacy practice and, for scholars, these weak ties provide the means to understand the influence of individuals able to bridge between one network and the next.
4. Public diplomacy is always conducted through the interaction of individuals *in a network* and the interaction *between networks*. Success in public diplomacy is inextricably linked to the way individuals collaborate through relationships. This is the result from the way humans huddle in networks. The relationships between these huddles, or clusters, are negotiated through the connections that link the different hub points. A network might be a family, community, corporation, charity, or a network facilitated by social media. They are all networks, containing “small worlds” and “spheres of influence.”⁶¹
5. As Mark Gerzon put it:
We are all profoundly affected by the decisions and actions of people whose faces we may never see, whose language we may not speak, and whose names we would not recognize—and they, too, are affected by us.⁶²
6. The actions of individuals and communities within a series of interconnected networks. The structure of a series of relationships can be thought of as a network if

⁵⁷ For a history of network analysis see; John P. Scott, *Social Network Analysis: A Handbook*, 2nd ed. (Sage Publications Ltd, 2000).

⁵⁸ Valdis Krebs, “Mapping Networks of Terrorist Cells,” *Connections* 24, no. 3 (2002): 43–52.

Thomas W. Valente, *Social Networks and Health: Models, Methods, and Applications*, 1st ed. (Oxford University Press, US, 2010).

Everett M. Rogers, *Diffusion of Innovations* (Simon and Schuster, 1995).

⁵⁹ Thomas W. Valente, “The Diffusion Network Game,” *Connections* 19, no. 2 (1996): 30–37.

Also see; Franco Malerba and Nicholas S. Vonortas, *Innovation Networks in Industries* (Edward Elgar Publishing, Cheltenham, UK, 2009).

⁶⁰ Granovetter, Mark, “The Strength of Weak Ties,” *American Journal of Sociology* 78, no. 6 (1973): 1360–13.

⁶¹ Joel Levine, “The Sphere of Influence,” *American Sociological Review* 37, no. 1 (1972): 14–27.

⁶² Mark Gerzon, *Global Citizens* (Rider: London, 2010).

there are two or more connections between three or more points. These connections provide contacts and relationships through which influence can flow. That flow of influence has the potential to be multidirectional, as it could move in either direction down any of the connections.

7. The multi-hub and multidirectional nature of these 'networks of influence' emphasize the need to look beyond a broadcast-inspired model of "many-to-many" evolving from "one-to-many." The complex connections through which public diplomacy takes place are better understood as numerous few-to-few interactions. These few-to-few interactions cluster around numerous hubs and coordination points that create complex networks linking governments, substate, and nongovernmental groups to each other and to communities in countries around the world. It is within this context that collaborative public diplomacy takes place.
8. Strategies for public diplomacy cannot be based around a concept of many-to-many, where it is thought everyone is in communication with everyone else. These "all-channel" networks absorb a huge amount of time due to the massive rise in connections for every member added to the network. As a result, they rarely exist in human communication outside very small groups.
9. Instead of these Herculean efforts, networks tend to create manageable clusters that coordinate their communication around certain hubs. This clustering has been demonstrated, for example, in the case of activists using social media after the Iranian election.⁶³ It has been analyzed more fully in other fields, for example, the work of Robin Dunbar on the "social brain" and social group sizes.⁶⁴ As a result, strategies have to evolve that can navigate the numerous small groups created by human behavior.
10. The strategies available to public diplomats working in this operational environment are often analogous to situations that John Forbes Nash described as cooperative games; those in which the interests of those involved "are neither completely opposed nor completely coincident."⁶⁵ The nonzero-sum nature of these situations leads to emphasis on the bargaining problem and equilibrium points.⁶⁶ The Nash equilibrium, as it later became known, exists in a situation where "neither player can improve his payoff by unilaterally changing his strategy."⁶⁷ As in public diplomacy, the better outcome is contingent on the behavior of both (or all) actors in a situation and each being prepared to shift position. Contrary to assumptions often seen in assertive approaches to public diplomacy, Nash concluded, "no equilibrium point can involve a dominated strategy."⁶⁸

11. Echoing the emphasis on contingent behavior, Thomas Schelling argued:

⁶³ Fisher, "Bullets with Butterfly Wings," in Yahya R. Kamalipour (Ed.), *Media, Power, and Politics in the Digital Age: The 2009 Presidential Election Uprising in Iran* (Rowman & Littlefield Publishers, 2010).

⁶⁴ R. Hill and R. Dunbar, "Social Network Size in Humans," *Human Nature* 14, no. 1 (March 01, 2003): 53–72.
W. X. Zhou, D. Sornette, R. A. Hill, and R. I. M. Dunbar, "Discrete Hierarchical Organization of Social Group Sizes," *Proceedings of the Royal Society B: Biological Sciences* 272, no. 1561 (February 22, 2005): 439–44.

⁶⁵ John F. Nash, "Two-Person Cooperative Games," *Econometrica* 21, no. 1 (January 1, 1953): 128–40.

⁶⁶ John F. Nash, "The Bargaining Problem," *Econometrica* 18, no. 2, (1950): 155–62.

John F. Nash, "Equilibrium Points in N-Person Games," *Proceedings of the National Academy of Sciences* 36, no. 1 (January 1, 1950): 48–49.

⁶⁷ R. B. Myerson, "Refinements of the Nash Equilibrium Concept," *International Journal of Game Theory* 7 (June 1978): 73–80.

⁶⁸ John F. Nash, "Non-Cooperative Games," *The Annals of Mathematics* 54, no. 2, Second Series (1951): 286–95.

Diplomacy is bargaining; it seeks outcomes that, though not ideal for either party, are better for both than some of the alternatives. In diplomacy each party somewhat controls what the other wants, and can get more by compromise, exchange, or collaboration than by taking things in his own hands and ignoring the other's wishes.⁶⁹

12. Bargaining and collaboration requires connection. This has not gone unnoticed in public diplomacy; networks and relationships are increasingly common terms. Among scholars, Kathy Fitzpatrick has presented a movement from messaging to mutuality and R. S. Zaharna the movement from battles to bridges.⁷⁰ In practice, this emphasis is perhaps most evident in the use of social media whether in terms of 21st Century Statecraft, PD2.0, or strategies for cyberspace.⁷¹
13. As Craig Hayden put it, "implies recognition that more people share some responsibility for diplomacy." It represents "a kind of redistribution of labor in international relations."⁷² While it may be true, as Juliana Geran Pilon argued, that in this "bewilderingly over-connected world everyone is in some sense a public diplomat."⁷³ The strategic focus of a *professional* public diplomat is the aggregated connections and interactions between activists and communities across society. Single issue, hyphenated diplomacy initiatives—"water," "science," or "faith" among others—may have an important role within this endeavor. However, professional public diplomacy strategies are based on an overview of existing interactions, bridging numerous issue areas, and an understanding of the behaviors most likely to facilitate connection or collaboration.
14. Connectivity is more than a rhetorical flourish about many-to-many communication. Connection is fundamental to the health and success of an individual in their community. Relationships have been shown to influence how individuals seek information or advice and even find a job.⁷⁴ In addition, the health of an individual can be influenced by changes in the health of close friends—and more distant individuals.⁷⁵ Social isolation has even been identified as a risk factor for early death comparable with that of smoking.⁷⁶ The influence of connection and the tendency of

⁶⁹Thomas Schelling, "Arms and Influence," in Thomas Mahnken and Joseph A. Maiolo (Eds.), *Strategic Studies: A Reader*, 1st ed. (Routledge, 2008).

⁷⁰Kathy Fitzpatrick, "U.S. Public Diplomacy in a Post-9/11 World: From Messaging to Mutuality," *CPD Perspectives on Public Diplomacy*, Paper 6. October 2011.

⁷¹Bureau of Public Affairs Department Of State, The Office of Electronic Information, "21st Century Statecraft," March 16, 2011, <http://www.state.gov/statecraft/overview/index.htm>.

"Public Diplomacy in the Twenty-First Century [Rush Transcript; Federal News Service]," *Council on Foreign Relations*, n.d., <http://www.cfr.org/diplomacy/public-diplomacy-twenty-first-century-rush-transcript-federal-news-service/p16698>.

⁷²Craig Hayden, "The Lessons of Hyphenated Diplomacy," *PDIN* 2, no. 4 (April 2011), http://uscpublicdiplomacy.org/index.php/pdin_monitor/article/the_lessons_of_hyphenated_diplomacy/.

⁷³Juliana Geran Pilon, "The Art of Connection through Public and Cultural Diplomacy," May 2011, http://www.iwp.edu/docLib/20110517_PublicandCulturalDiplomacy.pdf.

⁷⁴Mark Granovetter, *Getting a Job: A Study of Contacts and Careers*, 1st ed. (University Of Chicago Press, 1995).

Nerida Creswick and Johanna I. Westbrook, "Social Network Analysis of Medication Advice-Seeking Interactions among Staff in an Australian Hospital," *International Journal of Medical Informatics* 79, no. 6 (June 2010): 116–25.

⁷⁵Nicholas Christakis and James Fowler, "The Spread of Obesity in a Large Social Network over 32 Years—NEJM," *New England Journal of Medicine* (2007): 370–79.

Ali, M. M., Dwyer, D. S., "Social Network Effects in Alcohol Consumption among Adolescent." *Addictive Behaviors* 35, no. 4: 337–41.

Ali, M. M. et al., "Adolescent Weight Gain and Social Networks: Is There a Contagion Effect?," *Applied Economics* 44 (August 2012): 2969–83.

⁷⁶James. S. House, K. R. Landis, and D. Umberson, "Social Relationships and Health," *Science* 241, no. 4865 (July 29, 1988): 540–45.

James S. House, "Social Isolation Kills, But How and Why?," *Psychosomatic Medicine* 63, no. 2 (March 1, 2001): 273–74.

humans to huddle in small clusters make the development of connective relationships a fundamental aspect of collaborative public diplomacy.

Beyond assertive strategies and representational mindsets

15. Many perspectives on public diplomacy have emphasized “staying on message,” getting an image out, and understanding the “short-term ability to ‘move the needle,’” in terms of perception.⁷⁷ However, as R. S. Zaharna has demonstrated, this addresses neither the underlying relationships nor the communication dynamic at play within the contemporary context.⁷⁸
16. An interpretation of public diplomacy based on an expanded conception of network communication has the advantage that it analyzes the engagement between actors in the information environment within which they interact. The analysis of public diplomacy becomes the analysis of the information ecosphere within which a project was conducted. The ecosphere, or infosphere, is a complex multi-hub and multidirectional network. This more closely represents the operational environment than interpretations based on monologue or dialogue.
17. Approaches based on monologue and even dialogue focus on the egosphere of a particular public diplomacy actor rather than the complex network of relationships. An egospheric perspective focuses on relationships that connect with the single chosen organization, group, or community. The implicit assumption is that everyone orbits around that single group. As a result, monologue and dialogue disproportionately focus on the role of one node with a network, despite the complexity of real-world networks.
18. The difficulty created by an egospheric perspective is that it places a single organization at the center of the network. In doing so, it diminishes the role of relationships between other actors. While there are times when an organization does have a central position, but this can only be shown once the relationships with other actors have been taken into account. An assertive approach to public diplomacy, in R. S. Zaharna’s terms, tends to be unidirectional. It focuses on changing the behavior of others that are conceived as orbiting around the public diplomacy actor. The assertive approach assumes that an organization has “the answer” to a particular challenge or situation and focuses on an attempt to make others follow. It does not leave space for asking questions or engaging in negotiation. When this is seen from the perspective of a network, assertive approaches in practice take little, if any, account of the role and resources of other nodes. This is due to the attempt to achieve dominance by crowding out other perspectives from the information horizon of a target audience.⁷⁹
19. As Diane Sonnenwald argued, “within any context and situation is an ‘information horizon’ in which individuals can act. Information horizons, which may consist of a variety of information resources, are determined socially and individually, and may be

B. Lown, “Sudden Cardiac Death: Biobehavioral Perspective,” *Circulation* 76, no. 1, Pt. 2 (July 1987): 186–96.<AU: Kindly check if “I” is required.>

⁷⁷ Nicholas J. Cull, “Public Diplomacy: Lessons from the Past,” *CPD Perspectives on Public Diplomacy* (2009), <http://uscpublicdiplomacy.org/publications/perspectives/CPDPerspectivesLessons.pdf>.

⁷⁸ R. S. Zaharna, *Battles to Bridges: US Strategic Communication and Public Diplomacy After 9/11* (Palgrave Macmillan, 2010).

⁷⁹ Sonnenwald, D. H., “Information Horizons,” in K. Fisher, S. Erdelez, and L. McKechnie (Eds.), *Theories of Information Behavior: A Researcher’s Guide* (Medford, NJ: Information Today, 2005), 191–97.

conceptualized as densely populated solution spaces.”⁸⁰ Conceptually, information dominance would limit the potential solutions within the horizon. However, the influence of shifting networks and relationships makes genuine dominance extremely difficult and neglects the underlying relationship. People feeling pressure to think a particular are more likely to resist. While social media has increasingly highlighted the role of networks in the spread of information, their influence dates back before the computer, as the studies of innovation, diffusion, and social networks elegantly attest.⁸¹

20. The associative approach demonstrates the importance of the relationships that combine to form networks. In addition, a collaborative approach considers the relative importance of different roles within a network and the contribution each actor can make to the realization of a collective goal. This moves beyond centralizing and unidirectional positions of the assertive approach and builds on the insight of the associative interpretation. This study develops the conception of negotiation within the multi-hub, multidirectional nature of collaborative public diplomacy.

Power of collaboration:

21. In a collaborative approach, successful actors are those most able to interact in a network with the result that certain outcomes become more likely. The collaborative actors are not contained within traditional notions of power that approximate to making others follow that actor's will. Collaborative actors are results or outcome orientated but in a very different way to those using assertive strategies. They do not determine a specific policy or message and then seek to make it sound attractive so that others will follow when it is presented *ex cathedra*.⁸² Instead, collaborative actors value the input of others at all levels of decision making. The result is a collective refinement of objective, consideration of all relationships within the relevant network, and subsequent cocreation of message if a message-orientated approach is to be used.⁸³
22. Collaboration in public diplomacy creates the potential for greater diversity of cognition, experience, and perspective.⁸⁴ Through collaboration, new solutions can enter an information horizon. Through greater diversity a decision-making process can become more likely to be innovative, relevant to a wider community, and less likely to be the result of a narrow political perspective—such as the “with us or against us” that damaged US public diplomacy after 9/11.

⁸⁰ Sonnenwald, D. H., “Evolving Perspectives of Human Information Behavior: Contexts, Situations, Social Networks and Information Horizons,” *In Exploring the Contexts of Information Behavior: Proceedings of the Second International Conference in Information Needs* (1999), 176–90.< AU: kindly provide the place and publisher details.> Library Management, Vol. 21 No.1, pp.49 - 55

⁸¹ Rogers, *Diffusion of Innovations*;
Valente, “The Diffusion Network Game.”
Valente, *Social Networks and Health*.

Scott, *Social Network Analysis*.

Karl M. van Meter, “Terrorists/Liberators: Researching and Dealing with Adversary Social Networks,” *Connections* 24 (2002): 66–78.

Tom Koch, “The Map as Intent: Variations on the Theme of John Snow,” *Cartographica* 39, no. 4 (2004): 1–14.

Bonnie Erikson, “Secret Societies and Social Structure,” *Social Forces* 60, no. 1 (1981): 188–210.

⁸² Ali Fisher, “Music for the Jilted Generation: Open-Source Public Diplomacy,” *The Hague Journal of Diplomacy* 3, no. 2 (2008): 129–52.

⁸³ For the range of options for influence see; Ali Fisher and Aurélie Bröckerhoff, *Options for Influence: Global Campaigns of Persuasion in the New Worlds of Public Diplomacy* (British Council, 2008).

Ali Fisher, “Four Seasons in One Day, the Crowded House of UK Public Diplomacy,” in Nancy Snow and Philip M. Taylor (Eds.), *Routledge Handbook of Public Diplomacy*, New ed. (Routledge, 2008).

⁸⁴ James Surowiecki, *The Wisdom of Crowds* (Anchor, 2005).

Data and complex international systems

23. From engaging with activists in closed societies to countering the efforts of Jihadist groups; there has never been a better time for diplomats to get into data. Never before has there been so much publicly observable and open data available about which communities are communicating with and influencing others. This data can empower the UK soft power resources to make greater use of collaborative strategies and facilitative approaches to shaping international networks of influence.
24. While there is no doubt that technology can be disruptive for authorities, diplomats, and scholars, these technologies can also be empowering for those seeking to understand behavior within complex environments.
25. Combining big data analysis and visualizations with the nuanced understanding of context, already central to diplomacy, can open opportunities for collaboration and to push the boundaries of what is imagined to be possible within 21st century public diplomacy and the deployment of the UK 'soft power resources'.
26. The amount of data available is greater than ever, perhaps 90% of which was generated in the last [two years](#). At the same time, more people globally are communicating in ways that generate data which is publicly observable, for example through the API of social media platforms. Equally, the tools to analyse data have expanded rapidly, allowing users to search [large amounts of data quickly and efficiently](#).
27. Certainly, as Nassim Nicholas Taleb noted during the [Moneyball Diplomacy](#) event, there is a need for discrimination in analysis, due to the level of "noise" in data. Identifying what '[signal](#)' is meaningful to the task of diplomacy will require diplomats and scholars to become increasingly comfortable engaging with, analysing, and using increasingly large and often [unstructured](#) data. Engaging in this type of work can open further opportunities for collaboration and to push the boundaries of what is imagined to be possible within public diplomacy.

What are the options for UK soft power resources?

28. As I have written [previously](#), the opportunity in the era of big data comes not from drowning in a sea of data but navigating the most useful ways to derive insight and develop innovative strategies from that data.
29. Getting into what can be loosely termed big data does not have to come with a big price tag, at least not until users have begun to develop fairly large-scale projects. One way diplomats can get into data and gain comfort with the approaches and research questions to which big data lends itself, is to participate in the growing amount of open source projects, use the software programs which result and experiment with the range free web-based software-as-service.
30. Now is a good time for UK soft power resources to get into data, as there have been recent updates to [Scraperwiki](#), [Sparkwise](#), and [SwiftRiver](#). In addition, there are tools such as [Gapminder](#) which seeks to be a "fact tank" that promotes a fact based world view by providing time series development data. Moreover, the recently launched [Google Databoard](#) allows users to build custom graphics based on Google

research studies. These tools and data such as [GDELT](#) (Global Data on Events, Location, and Tone), if used effectively, can enable diplomats to integrate big and unstructured data into their current tools and processes for planning, monitoring, and evaluating their specific projects.

31. In addition, given the [relational](#) nature of public diplomacy, tools which allow the analysis of [relational data](#) and networks, provide further opportunities to track whether an organisation is engaging with specific communities, to understand the position of a user in the 'greater network' or to navigate the information landscapes of communication around an issue. A recent article in [Forbes](#) highlighted some of the ways [NodeXL](#) has been used and further examples of network analysis can be seen in the [Gephi](#) gallery on [Flickr](#).

What use is big data to UK soft power resources?

32. Previous examples of using, for example, network analysis have been discussed in relation to identifying [meaningful networks](#) in public diplomacy and specific events. Examples can be seen during events like President Obama's trip to [Brazil](#), information sharing during the [Arab Spring](#), or the protests following the 2009 Presidential Election in [Iran](#). Studies such as these can allow diplomats to understand the 'greater network' to identify individuals or communities with which to engage, understand the nuance in their discussion, and find ways to collaborate. For example these studies could facilitate the achievement of their objectives where they intersect with the aims of diplomats.
33. Equally, there is an opportunity to use data to analyse the strategic communication of groups a diplomat is responsible for challenging. This can give diplomats an edge over adversaries in contested environments. For example, an [article](#) I wrote with Nico Prucha published in the CTC Sentinel showed how Jabhat al-Nusra (JN) is using Twitter as a beacon for sharing shortlinks to content dispersed across numerous digital platforms. This method means videos shot on the battlefield in Syria are being uploaded onto YouTube and shared with followers via Twitter. Knowing which content is being most frequently shared and the nature of that content can help diplomats frame their responses and develop strategies to disrupt the networks disseminating content.
34. To take full advantage, diplomats will need to be able to leverage genuinely interdisciplinary approaches, which combine in-depth knowledge of big data techniques and network analysis, with rich multilingual understanding of the ideological, religious, and cultural foundations of the groups they seek to challenge.

Avoiding Misconceptions

35. Identifying the opportunity which big data and open data present is not to suggest that diplomats are currently without knowledge, great nuance, and understanding. Equally, as [Kate Crawford](#) highlighted in a recent Foreign Policy article, the numbers do not speak for themselves. Data needs interpreting by those with a nuanced understanding of the context and the imagination to identify insights and develop innovative strategies.
36. It would be as absurd to suggest that diplomacy should be conducted only on the basis of big data. However, it would be equally absurd to conduct public diplomacy

without using big data when it is available. The greatest opportunity for influence comes from the synthesis of big data insights with the nuance, experience and understanding developed by generations of diplomats.

Conclusion

37. Combining big data analysis and visualizations with the nuanced understanding of context, already central to the work of UK soft power resources, can open opportunities for collaboration and to push the boundaries of what is imagined to be possible within 21st century public diplomacy and the deployment of collaborative strategies by the UK 'soft power resources'.

September 2013

Dr Iginio Gagliardone, University of Oxford – Written evidence

CHINA'S SOFT POWER IN AFRICA. LESSONS FOR THE UNITED KINGDOM

This submission focuses on China's most recent initiatives in the media and telecommunication sectors in Africa, on how China is crafting a unique soft power strategy and on what lessons this bears for the United Kingdom, both in Africa and globally. It is divided in three sections. The first two sections explore China's increasing presence and influence in Africa. The final section explores implications and possible lesson for the UK to engage with African audiences and with rising powers.

China's new initiatives in the media and telecommunication sector in Africa

China has been seeking greater engagement with African audiences and has dramatically boosted its potential to shape narratives in ways that can favour its image or interests abroad. This process has displayed signs of continuity and discontinuity with China's previous attempts to influence ideas and perceptions on the continent. It has included both old and new communication technologies and has developed through a mix of bold policy decisions and trials and errors.

The relocation of the Regional Editorial Office for Africa of the state controlled news agency Xinhua from Paris to Nairobi in 2006 represented the first symbolic step of this new strategy. The same year, China Radio International began to seek partnerships with national broadcasters in Africa to relay some of its content and make it more accessible to local audiences (Cooper, 2009). In January 2012, state-owned China's Central Television (CCTV) launched CCTV Africa, China's flagship effort to win hearts and minds on the continent. CCTV Africa immediately became the largest initiative of an international TV broadcaster on African soil, counting more than one hundred and twenty staff-members of which around eighty are African (mostly Kenyans) and forty Chinese. The expansion of traditional media has been followed by unprecedented initiatives in the new media and telecommunication sector. In 2011, Xinhua launched what it labelled as the first "mobile newspaper" in Africa (Xinhua News Agency, 2011). Developed in Kenya in partnership with Huawei, China's largest telecommunications and service company, and Safaricom, Kenya's leading mobile operator, it allowed mobile subscribers to receive news selected by Xinhua via Multimedia Messaging Service (MMS). Alongside these media initiatives, which have been aimed at reaching wider audiences in Africa through different channels, since 2006 the Chinese government and Chinese companies have also begun to play an increasingly important role in the continent's telecommunication sector, as symbolized by the multi-billion dollar loan from China's EXIM Bank to enable Ethio-Telecom, Ethiopia's sole telecom operator, to increase access to the Internet and mobile phones, a project later undertaken by Chinese telecom giants ZTE and Huawei (Gagliardone, Stremlau, & Nkrumah, 2012).

Consequences of China's greater engagement in Africa

The Chinese government has signalled its lack of interest in exporting its own development model, and its intention to simply respond to the demands of its African partners. Ongoing research has largely confirmed that this 'no strings attached' approach is consistent, but this does not mean that China's presence on the continent is neutral or has no impact on development policies and practices (Brautigam, 2009; Gagliardone, 2013). China is indirectly⁴¹ influencing media/IT policies and practices in at least three ways.

First, while Western donors have tended to favour media projects benefiting the private sector and the civil society, often seeking to create incentives for the state to open a dialogue with other forces in society, China has exhibited a tendency to privilege government actors, thus increasing governments' capacity vis-à-vis other critical components in the development of a media and telecommunication systems.

Second, with the launch of media projects such as CCTV Africa China has dramatically boosted its potential to shape narratives, exert soft power, and allow different voices to shape the political and development agenda. While international broadcasters such as the BBC World Service and Aljazeera have often tended to rely on civil society organisations as gatekeepers of information, CCTV has so far shown less interest in these actors, privileging the formal over the informal and also as part of its effort to provide more positive news from the continent.

Third, China's domestic example to balance between investment in media and telecommunication and efforts to contain the risks of political instability that new technologies may bring, has the potential to act as a legitimising force for other states that share concerns of balancing both development and security, and that are actively seeking justifications for limiting voices and uses of technology that are considered potentially destabilising.

Implications and lessons for the UK

China is increasing its presence in the African media at a time other international broadcasters, including BBC World, are struggling to maintain their presence and influence on the continent. In addition, initiatives such as CCTV Africa are supporting an idea of "positive reporting" which is tapping into a "rising Africa" narrative, connected to the rapid growth of many countries on the continent. This is further helping to frame Chinese media as allies of African actors who have long attempted to revert the negative image of their continent in the Western media as one that is blighted by wars, HIV and hunger. The risk is that, while the BBC has historically been perceived as an instrument to bring independent reporting into nations that enjoyed few or no free media, it may now be increasingly perceived as an outlet that perpetuates a negative image of the continent.

At the same time, China's poor domestic records regarding freedom of expression and the democratic deficit that affects its institutions constitute a significant legacy for its foreign channels, constraining their expansion into Africa. The blocking of Facebook and Twitter in China has, for example, placed CCTV Africa in an awkward position. While there is awareness among African and Chinese journalists and editors working for CCTV Africa that social media are essential for the operations of a modern international broadcaster, CCTV Africa has been timid in developing a strategy on these platforms. CCTV Africa's official twitter account was created only six months after "Africa Live" went on air and as of April 2013 it had reached only 3,802 followers. CCTV Africa's facebook page was launched after ten months and on the same date had only 501 fans. These numbers are dwarfed by its most direct competitor, the BBC: on the same date BBC Africa's twitter account had 171,267 followers, while its facebook page had 116,290 fans. In addition, the support the Chinese government has provided to developing the communication infrastructure in countries such as Ethiopia, which actively filters political blogs, has attracted criticism and concerns.

China's increasing presence in the media and telecommunication sector in Africa should be interpreted both as a challenge and as an opportunity. It forces actors who have traditionally tried to exert their influence on a regional and global scale, such as the UK, to rethink their strategies of engagement with foreign audiences. It forces the BBC, for example, to spell out

its values more clearly, to further uphold the principles of impartiality and independent reporting that have gained it many fans all over the globe, and especially in Africa. Similarly, the British Government should be able to offer clearer guides to companies engaging in work related to media and communications abroad, preventing UK-based companies to engage in activities that may be detrimental to freedom of expression and privacy (e.g. selling software that can be used for filtering or monitoring content). This will help countries such as the UK maintain a moral high ground and contribute to achieving the goals of liberty and equality they uphold. Finally Africa can be an important terrain for engagement with new rising powers, including China. As China competes for loyalties in new terrains, it also needs to change its strategy to appeal to new audiences (Price, 2002). CCTV Africa's style has become more aggressive and has taken on traits that have historically characterized international broadcasters such as the BBC. Chinese journalists in Africa tend to be more open to experimentation and hybridization of styles and genres and this can open the door to initiatives that can also influence Chinese media back home. In a post-Cold War scenario, there are multiple opportunities for traditional and new players to engage on new terrains and test new forms of cooperation. A new soft power strategy in Africa can go in this direction, showing to foreign audiences the ability of a country to move beyond partisan interests and work for a greater goal that can rally old and new players alike. The UK has both the historical and moral leverage to lead along this path.

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September 2013

Dr Jamie Gaskarth, University of Plymouth – Written evidence

Background on contributor:

Dr Jamie Gaskarth is Deputy Director, School of Government at Plymouth University, and the convenor of the British Foreign Policy Working Group of the British International Studies Association. He is the author of *British Foreign Policy* (Cambridge: Polity Press, 2013) and co-author with Oliver Daddow of *British Foreign Policy: The New Labour Years* (Basingstoke: Palgrave, 2011) as well as numerous academic articles on foreign policy and security. In 2011 he was a Visiting Research Scholar at the Center for British Studies, University of California at Berkeley.

Summary of main points:

- Governments find it difficult to exploit the cultural aspects of soft power to policy ends.
- One thing the UK government can do is devise an attractive identity for their state in world politics and promote it through more consistent policymaking.
- To do so, the UK needs to think strategically about what identity is most likely to fit with its values whilst also serving its future global needs.
- It then has to be prepared to make some hard choices, dropping outdated ideas and relationships and forging new ones. It also may have to accept the policy constraints that come with living up to a particular identity in anticipation of future soft power benefits.

The problem of soft power

1. As the call for evidence for this inquiry states, the concept of soft power has been defined by its originator, Joseph S. Nye, as “the ability to get what you want through attraction rather than coercion or payments”⁸⁵. Two important questions follow from this definition:

What makes states attractive?

What can governments do to increase their state’s attractiveness to other actors?

2. Nye notes that a state’s soft power arises from “the attractiveness of a country’s culture, political ideals, and policies”⁸⁶. Many commentaries on soft power focus on the cultural aspects of this combination and produce inventories of the cultural resources of a state⁸⁷. These can be a useful reminder of how a country projects its culture abroad. Whether it represents a ‘toolkit’ for policymakers to exploit is another matter.
3. The difficulty is that many cultural facets of soft power develop and flourish organically, involve non-state actors, and resist any attempts by governments to use

⁸⁵ Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004), x.

⁸⁶ Ibid.

⁸⁷ E.g. John Holden, *Influence and Attraction: Culture and the race for soft power in the 21st century* (British Council/Demos, 2013).

them instrumentally to serve national goals. For example, in the arts freedom of expression is usually the most highly valued resource a government can provide. Therefore, any attempt to interfere with creative choices to promote political ideas is seen as undermining rather than supporting potential soft power benefits. It is for this reason that governments have often struggled to know what to do with the concept of 'soft power'⁸⁸.

What can governments do?

4. There was another aspect to Nye's calculus of attractiveness that often gets less attention but is very important to soft power: a state's policies. In particular, the way a state's foreign and domestic policies construct an attractive (or unattractive) identity for it in world politics⁸⁹. That is something that governments can try to do something about and would have tangible benefits in terms of shaping political outcomes to the state's advantage.
5. The UK has held a number of different and at times conflicting identities in recent years. These include 'status quo power', supporter of the rule of law and multilateral organizations, bridge between Europe and the US, pivotal power, reliable ally of the United States, liberal interventionist, networker, thought leader, arms dealer, aid superpower, tolerant and multicultural Olympics host, education provider, advocate for neoliberalism, Eurosceptic state and the country that wants to be 'tough on immigration'.
6. The result is confusion over what Britain stands for. What kind of international legal order would the UK like to bring about? Does it want to have an open economy and multicultural society or retreat behind its borders? Would it prefer to support protesters for democracy or the UK arms industry? Is its future orientation towards Europe, the US or the emerging powers? Does it want the UK to crack down on tax havens or become one? Too often these choices are dismissed; as if the UK can be all things to all peoples. But there are real costs and benefits to the policies the UK adopts. The identities they imply appeal to different audiences. Without any overarching sense of Britain's identity in the world, it is difficult for other governments and peoples to hold a consistent image of the UK to which they might be attracted.
7. If Britain is serious about wanting to mobilise its soft power globally, it needs to have a public debate, combined with rigorous strategic analysis, over what sort of state the UK wants to be. It then has to be prepared to make hard choices between competing identities. Within this discussion needs to be some consideration of who the UK is trying to attract, what images of Britain would be most attractive to them, and what policies are required to maintain each identity. This approach is rather different from the empirical, bottom up approach that tends to dominate British foreign policymaking – whereby the government works out what resources it has and then decides what to do with them. But, it would result in a stronger narrative

⁸⁸ See Christopher Hill and Sarah Beadle, 'To wield or not to wield, that is the question: Britain's soft power options in the 21st century' Paper presented at a British Academy Workshop on Soft Power, 10-11 Carlton House Terrace, London, 11 July 2013.

⁸⁹ Ibid, 13.

about British identity that could galvanise public support at home and abroad for British foreign policy.

8. The UK foreign policy community has historically been resistant to thinking strategically and planning for the long term⁹⁰. It is even less keen on discussing identity⁹¹. The consequences are that policymaking is costly - since resources have to be spread across a wider range of potential objectives – and at times contradictory, as the government hasn't thought through how policies in one area might impact on another.
9. There are also periodic schisms in the foreign policy community as conflicting ideas about Britain's global identity compete for influence. The most recent example is the debate and votes on military action against Syria on 29 August 2013. Polls indicated a substantial majority of the public against British involvement in this international police action⁹². Nevertheless, both major parties moved motions that paved the way for the use of force.
10. Other countries reacted with surprise when the result failed to secure agreement. Some individuals in the UK predicted the end of Britain's reputation as a reliable ally and great power⁹³. On the one hand, such an outcome could have negative impacts on the UK's soft power – particularly in the United States. Given the importance of this relationship, particularly in the defence and intelligence fields, this would be a significant cost. On the other hand, the assertion of democratic control over the executive might bring alternative soft power benefits. The political ideals that have long been trumpeted as evidence of the strength of British culture – parliamentary democracy, respect for the rule of law, freedom of speech and conscience – have arguably been affirmed in the most public fashion. At present, debates on these matters happen by accident rather than design and so the government is always struggling to rationalise its policies after the fact.
11. The government should capitalise on this development to announce a reappraisal of Britain's identity in world politics. In a world of rising powers and relative decline of Britain's traditional allies, the UK needs to reappraise how it sees itself, who it needs to reach out to and attract, and what policies will enable it do so. Recent parliamentary inquiries into national strategy and foreign policy have called for just such a re-examination but have thus far gone unheeded⁹⁴.

The pros and cons of strategizing identity

⁹⁰ Peter Mangold, *Success and Failure in British Foreign Policy* (Basingstoke: Palgrave, 2001), 5, 68.

⁹¹ John Coles, *Making Foreign Policy: A Certain Idea of Britain* (London: John Murray, 2000), 11.

⁹² <http://www.theguardian.com/politics/2013/aug/31/poll-british-military-action-syria>; <http://www.bbc.co.uk/news/uk-23931479>.

⁹³ <http://www.telegraph.co.uk/news/politics/10275565/Syria-crisis-Paddy-Ashdown-ashamed-of-Britain-over-Commons-vote.html>; <http://www.dailymail.co.uk/debate/article-2408040/ANDREW-ROBERTS-Hideously-amoral-Little-England-stepped-looking-glass.html>.

⁹⁴ House of Lords/House of Commons, Joint Committee on the National Security Strategy, *First review of the National Security Strategy 2010* (27 Feb 2012) HC 1384, 18-19,

<http://www.publications.parliament.uk/pa/jt201012/jtselect/jtnatsec/265/265.pdf>; Public Accounts Committee (2011) *Who Does UK National Strategy? Further Report* (25 Jan), para 7,

<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmpubadm/713/71303.htm>. See also Christopher Hill, 'Tough Choices' *The World Today*, April 2010, 11-14.

12. Advantages

Promoting a particular identity in world politics has a number of potential positive outcomes for the UK's soft power:

It allows foreign policymakers to shape how Britain is viewed by others.

It provides greater public understanding and involvement in policymaking.

It reduces misunderstanding among allies and enemies by increasing the predictability of UK policy choices.

It gives a clearer framework for devising policies (and underlines their attractive qualities).

It allows resources to be deployed more strategically and effectively to serve policy goals.

13. Disadvantages

Of course, it could also result in negative outcomes, such as:

Distracting policymakers from immediate priorities.

Pursuing identity goals at the expense of material interests.

Pursuing identities that are no longer relevant, or fail to acknowledge changes.

Loss of flexibility over range of policy choices.

Predictability of foreign policy could be exploited by rivals.

14. Nevertheless, if the UK made a concerted effort to project a coherent identity in its foreign policy, and provided regular opportunities to reappraise that identity, many of these negative potential outcomes could be avoided. The positive soft power implications of giving a clear sense of what the UK stands for, and why it is an attractive society, would be substantial.

15. To conclude, I would like to offer an illustrative example of a foreign policy identity that is in accord with British values, would be attractive to other states (particularly the rising powers of China, India, Brazil and Russia), and could be exploited by policymakers to advance foreign policy goals.

Example: The Rule of Law state

16. The UK has a reputation, with long historical roots, of being a supporter of international law. This has been challenged in recent decades by the UK's willingness to use force outside the framework of international law in Kosovo, and on a questionable legal basis in Iraq in 2003. It has also allegedly cooperated with rendition operations on an extra-judicial basis. This had negative soft power impacts in the developing and Muslim worlds and undermined support for foreign policy at home. It also affects the UK's ability to insist on the rule of law and sovereignty in disputes such as those over the status of the Falkland Islands and Gibraltar.

17. A re-affirmation of the identity of Britain as a state that respects the rule of law at home and abroad would bring substantial positive outcomes. As a declining power, it is in the UK's interests to constrain emerging and potentially rival powers within a framework of international law. This would allow the UK to consolidate its gains and assert its rights when they are infringed. Important powers the UK wishes to engage

with, such as China, Brazil and India, value the rule of law, due process and sovereignty internationally.

18. To promote this identity, the UK could increase financial contributions to international legal organizations, emphasise its commitment to the due process of law, including the importance of the UN Security Council and UN Charter as its central foundations, and offer to host conferences and symposia on thorny legal problems. Rhetorically, it could emphasise the significance of UN approval for international action, whilst promoting reform of key institutions to make them more representative of the emerging power configuration. To be credible, it may also have to publicly express regret for transgressing international law in the past – albeit with an explanation of why it felt this was necessary.
19. Meanwhile, at home, the commitment to the rule of law could be demonstrated by reining back on criticisms of judicial decisions, enforcing regulation (such as in the banking and arms industry sectors), repealing unnecessary security legislation and offering greater transparency in the judicial process. In short, it could engage in a rigorous public diplomacy effort to underline the renewed importance of this aspect of British identity.
20. The primary benefits of this approach would be:
 - to reinforce international legal frameworks that are important to world order and the UK's place within it;
 - to instil the image of Britain as a constructive actor in world politics that acts in good faith;
 - to attract support for the idea that the UK's policy goals are legitimate;
 - to connect British foreign policy to domestic and international mechanisms of accountability;
 - to provide a clear steer on the limits and possibilities of UK action, including the use of force.
21. This is only one possible identity the UK might adopt and the author does not necessarily advocate it over other possibilities. It is merely designed to show how having a strong sense of an underlying British identity could feed into the policy process in a way that might be utilised to attract other global actors to the UK's viewpoints and so further its goals. The UK might have to accept constraints on its behaviour. The emphasis on international law and the UN in particular would mean it could not simply take it upon itself to act without authorisation – distinguishing this identity from the more permissive idea of 'good international citizenship' which was prominent in the 1990s⁹⁵.
22. However, in a trajectory of relative decline in its hard power, the attractive potential in being a state that contributed substantially to international law and society would enable the UK to continue to shape the rules and values of global politics. In other words, Britain's soft power could be translated into lasting influence.

⁹⁵ Wheeler, N. J. and Dunne, T. (1998) 'Good International Citizenship: a third way for British foreign policy' *International Affairs*, 74,4, 847-870.

Roger Gifford, Lord of Mayor London – Oral evidence (QQ 236-245)

Evidence Session No. 14

Heard in Public

Questions 236 - 245

MONDAY 4 NOVEMBER 2013

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Baroness Hussein-Ece
Lord Janvrin
Baroness Morris of Bolton
Baroness Prosser

Examination of Witness

Roger Gifford, Lord Mayor of London

Q236 The Chairman: Lord Mayor, thank you first of all for being with us today. This is much appreciated. I have just a formal statement to make. You have in front of you the list of the interests that have been declared by the Committee to give you an idea of where we are all coming from—I think that that is an important bit of information. As you know, we are a Committee formed to examine so-called soft power and British influence overseas, how it is deployed at present, what the potential is and what we can do in the future to make it more effective in delivering the goods and gaining the benefits for this country. That is our scene. You have spoken on and been involved in these matters in immense detail, so we will value your comments. I am going to start with the obvious first question, and my colleagues will probably come in, which is: why on earth is London such a magnet? Why are we so successful in the financial services field? Twenty or 30 years ago, it was said that it was London, Tokyo and Wall Street. Time has gone on, the financial world has been through appalling trials and paroxysms, and London has not been immune from those. Yet today we have the feeling—maybe it is not supported statistically—that London is actually pulling ahead and that we are the financial hub of the world. This is remarkable. Can you explain why? What is the secret?

Roger Gifford: A small question, Chairman. I agree with you that things seem very to be very much in London's favour at the moment. I am not saying that that cannot change, but they are in favour, absolutely. As to the reasons why, we would point to the good old values of the rule of law, respect for the independence of the judiciary and the fact that that has produced an international contract law that is essentially English law and is viewed the world over as a gold standard. I think that the UK is viewed overseas as a very attractive place to come to and invest in and to run a business. The tax regime is seen as reasonable. That, with years of investment by the authorities into making the system work well, has stood us in

good stead. Today, there are special features that mean that London is seen as a safe haven for funds. When geopolitical problems come, inevitably New York, Singapore, Hong Kong and London benefit—and in this latest round, London has benefited hugely, not only from money from the Gulf states but from Greece and Cyprus. I think that we are up at around £5.5 trillion of funds under management now, which was only £3.5 trillion to £4 trillion five years ago. There has been a move towards safety by many international investors and there is a large element of soft power about that. I wish I could say that the City of London and the Lord Mayor take all responsibility for it, but that would not be quite accurate.

The Chairman: A large element of soft power? Elaborate a little. What do you see as soft power? We are looking at this great concept. It is quite hard to get hold of.

Roger Gifford: For sure. It is the intangible that makes London an attractive place and gives us a good brand name. The City brand, I think, is very powerful. The City of London Corporation, which for centuries has been in the game of building up its international contacts and seeing London as an international trade centre, has done a huge amount to help that. The combination of lifestyle, the culture, the West End, the fantastic living conditions that people see here, plus benign trading and investing environments, have made it a good place to come. The English language, too, has played a part. If you like, it is a combination of factors. The English language is a soft power, I suppose, but it is hugely beneficial to what we do. It is the international language of finance. Where better to come than New York or London to do it? New York is a great place. It is a great financial centre, but from an international perspective London has benefited hugely.

The Chairman: Is the sheer chance of our geographical position and the timing zone part of it as well?

Roger Gifford: People say that, but I sometimes wonder why that does not apply to Frankfurt, Paris or Luxembourg. It certainly helps. The centre of East and West is very much in this time zone, in Europe. You cannot go to the middle of the Pacific Ocean, which would be the other place to do it, and run a finance centre.

Q237 The Chairman: Those are the positive things, but you began quite rightly—or you put into your first answer—with the caution that we have to work to hold it that way because it could not stay that way for ever. What are the rocks beneath the water that you see? What are the dangers?

Roger Gifford: Europe is undoubtedly a rock that we are standing on, and if we were to sever ourselves from it, that would be bad news for the City of London. Many firms have said over and over again that they base themselves in London because that is where they can do their European operations from. These are time-zone operations. The American banks are some of the biggest employers in London. When I travel, I frequently take JP Morgan and Citibank with me. They are London employers. They base a lot of their international activity out of London. They do their American business out of New York. They do their international business, including in the Middle East and Africa, out of London, so they are terribly important to us. The international aspect is a key part and geographical location is very powerful.

The Chairman: And yet it is not all sweetness and light with the rest of the European Union, is it?

Roger Gifford: No, it is not. There are aspects, if we were to leave, about still being in a single market and a single trading bloc. I am sure that it could be made to work, or it might be made to work, but the risks and downsides are so great that we would hugely caution

against it and say, “For goodness sake, let’s find reform within the European institutions. Let’s get the euro back on track. Let’s make it a stable banking system. Let’s get the single supervisory mechanism in place. We want to be part of helping that to happen. Let’s consolidate the market into a real single market—it is only a patchy single market today—and let Britain be part of it”.

The Chairman: My colleagues must come in, but is there a single market in financial services at all at present?

Roger Gifford: Yes, there is. In some areas of banking, there is a reasonably single market. You have the eurozone and the non-eurozone, but that is effectively related to the capital and to the currency. In banking, we can sell services to any country from London. You can do retail products, you can do investment products, you can lend money anywhere within the EU without any withholding taxes or other distinction. In some of the securities markets, there are some difficulties in trading but the MiFID, the latest round—the market and financial instruments directive—is addressing a lot of that. It has yet to come in fully, but it is coming.

Lord Forsyth of Drumlean: I just wonder about this argument on Europe and that we have to look to Europe rather than globally. The arguments that you are deploying about having to be in there and the rest are the same arguments that the City deployed when joining the single currency was going to be inevitable. I think you would probably agree that had we joined the single currency, we would be in something of a mess now. I wonder whether this focus on Europe is not missing the opportunity for us to use our traditional global relationships to look beyond Europe, because although you are right about it being an open market, the business and the growth are elsewhere.

Roger Gifford: That is absolutely right, but the euro argument and Europe are very different. When arguing to create the euro, we were looking at a system of currency that we thought from the very beginning was flawed politically in terms of fiscal and monetary policy. We did not believe that a currency that did not have the union of the Governments behind it would work, and I think we have been shown right on that. The discussion about Europe is quite different and is about whether we are part of the group

Lord Forsyth of Drumlean: Are you saying that at the time the euro was created the City was campaigning against it?

Roger Gifford: The City was very unsure about the euro.

Q238 Lord Foulkes of Cumnock: A slightly off the wall question: when you turn up in one of your overseas missions, are any of the people you meet surprised that you are not a somewhat eccentric, blond haired, tousled fellow?

Roger Gifford: They are.

Lord Foulkes of Cumnock: How do you explain that there is a mayor and a lord mayor?

Roger Gifford: It is not difficult. The mayor is the mayor of the 32 boroughs of London. He looks after the infrastructure of the London metropolitan area. My primary role is that of a promoter of financial and professional services for the whole of the United Kingdom—we (myself, the last Lord Mayor David Wootton and the next Fiona Woolf) are just back this morning from Leeds, talking to Leeds Legal and Leeds and Partners. It is very much the whole industry rather than just the geographical segment that is London.

Lord Foulkes of Cumnock: You were talking earlier about the West End. It must be very difficult for you just to stick to talking about the financial aspect of the city. People must want to engage with you on other issues as well.

Roger Gifford: Oh, indeed. As we are talking about soft power, I think that we talk a lot about the other bits of the city that give the financial proposition such value. Culture and the arts—the Barbican, the LSO and the GSMD—we are hugely proud of. The City of London is the third or fourth largest funder of the arts in the country. We are proud of that. That, plus emphasising the diversity, through to the churches and the buildings, is a very strong message. Of course, at the same time, we have great assets in the West End, and the National Theatre and the South Bank and so on as well.

Lord Foulkes of Cumnock: Perhaps I can widen the question a bit. Alex Salmond is in China at the moment—I do not know who they think they are meeting. I agree with you on Europe 100%, but does our current constitutional situation within the United Kingdom, where we have three devolved Administrations, England with a difficult constitutional arrangement and London with quite a lot of devolved powers not to the City but to the whole of London, create a confused image of who represents what one is travelling overseas or talking with people from overseas?

Roger Gifford: I have not felt it. I know the confusion with the Mayor of London, but in practice it has never been an issue of any substance. On the Scotland/Wales/London/Britain discussion, I am not sure that people outside Europe really care or even notice very much. I have spent the whole year expecting to be attacked about the “British” financial crisis, but it has just not happened. People, for whatever reason, see Britain as a homogenous entity. It was very interesting being in Leeds. One of the main questions in Leeds was, “Why aren’t people coming up to Leeds? Why aren’t they coming and seeing us?”. I am not sure that people see a difference between London and Leeds when you work a thousand miles away.

Lord Foulkes of Cumnock: Does the same apply to Edinburgh? Do they see the difference? I see you were born in St Andrews.

Roger Gifford: Yes, I was. I think that Scotland is seen as a separate issue. Scotland, England, Britain—they take a bit of explaining.

Q239 Lord Forsyth of Drumlean: Just falling on that point about the financial crisis, you do not think that that has caused a reduction in Britain’s soft power? In one of our earlier sessions, the British Council listed all the things that it thought were great about Britain—we had the BBC and the theatres and so on—but it did not mention the City. When I challenged it on that, it said that the banking crisis had affected things. Do you think that we have been damaged?

Roger Gifford: I think there has been pause for thought about financial services in every country in the world. No one has been untouched, even if some countries have come through it rather well. Canada, Australia, Scandinavia, Japan and the Gulf states have come through pretty okay, but each of those also had the questions at the time: are bankers over-remunerated? Is the structure right? What should the capital levels be? Do we have a liquidity problem? Every country has been aware. When I said that I expected to be attacked about the financial crisis, with London seen as leading the way down to the pit of despond, it just has not been that; in fact, it has almost been the opposite. There is no comment about the banks that have been taken over by the Government, but there is on the whole admiration for the UK authorities for trying to get it right, trying to take the longer-term approach towards regulation and finding a 30-year solution rather than a quick fix.

Lord Forsyth of Drumlean: Do you think you get enough support from organisations such as the British Council and others?

Roger Gifford: I would love to see a bigger British Council. I would love to see a British Council that did much more with the brand, the asset that we have. It does a lot in English language teaching. I would love to see it pushing culture and arts more than it does. Does that mean more money, or does it mean using the money that it creates from English language teaching more effectively? I would support that for sure.

The Chairman: After the Lehman crisis, there was a lot of talk—indeed, there still is a lot of talk—about rebalancing the economy, implying that we were too reliant on financial services and that somehow we should do things, and by unspecified means, to change the balance more in favour of manufacturing and non-financial services. It is a paradox that you are before us tonight saying very confidently and rightly that financial services seem to have gone on the path to recovery and seem to be more dominant, if anything, than ever. So what do we say about rebalancing?

Roger Gifford: I would say two things. I think that financial services have decreased in level since 2007, but in the City as a whole the job levels are now back to where they were in 2007. We see fewer in structured derivatives and financial instruments but many more lawyers in the City. We estimate that something like 200 to 250 foreign law firms are now based around the City. You might wonder what they are doing [laughter]. There is a huge increase in arbitration and dispute resolution in that sector, but possibly fewer in the traditional banking area. The financial and professional services together are back up to the levels they were at, and that is not bad, of course. It is largely international business that they are doing rather than domestic business.

When it comes to rebalancing, as the Prime Minister said today, we would like to see a north-south rebalancing as much as a financial services rebalancing. Are we taking people into financial services who could arguably have gone into engineering instead? I am not sure I see that.

The Chairman: I have forgotten the number of Lord Mayor that you are.

Roger Gifford: The 685th.

The Chairman: For most of that time, London has been the magnet—the centre—of this kingdom, so when we talk about the north-south divide, are we really trying to defy the natural tendency for there to be one great wen, one great attractive centre, which London is and always has been, and probably always will be?

Roger Gifford: In this day and age of better communication, videolinking and the like, we absolutely believe that Scottish financial services, law in Leeds, maritime in Liverpool, whatever it might be, have been very useful to London as adjunct services, to the extent that the Bank of New York Mellon, State Street and Citi all have major operations in southern Scotland. They are efficient, but they have also developed their own expertise and they have really good people coming out of Scottish universities and working for them there. That is a strong part of the City financial message. We would like to see more firms nearshoring, onshoring, with operations outside London. London is an expensive place to be, and if you are a major bank you might want to save costs today. JP Morgan is the largest non-government employer in Dorset. It has a fantastic operation down there, with good, dedicated and loyal people who love JP Morgan, and we would like to see more of those around the country. Cardiff has done pretty well, Leeds is doing okay, Liverpool has been

promoting itself tremendously, and Scottish financial services are great, they really are. They are thriving.

Q240 The Chairman: I have one more question. Would anyone else on the Committee like to come in? Just looking ahead a little, we say that we have all this wonderful soft power in Britain and that we can deploy it successfully, and therefore that we may be a little complacent. Our feeling on the Committee is that there is a danger there that we want to point to and we want to see what things the Government should be doing to make sure that that danger is headed off and that we strengthen our position rather than weaken it. Do you have a little shopping list of things that you would like the Government to be doing that they are not doing?

Roger Gifford: I would love to see ETQ—education, training and qualifications—given more prominence, as well as more business visas and getting people in more or facilitating that. We have a great brand-building ability through training people at our universities, and all around the world somebody is terribly proud to have been to a business school in Manchester or a university at Salford or wherever. British education is valued very highly. If we could promote more of that and get more people coming over, that would be a really good thing to do.

Equally, we have in this country some of the best cultural and arts institutions in the world and at a higher concentration than Germany, France or America. If we could bring more international people in to give performances and be given training, that would be fantastic. We have started a new charity this year called the City Music Foundation, which is exactly for bringing people from overseas into London to train them and then send them home again, giving them performance opportunities in the UK. That kind of initiative will, I hope, lead to greater international through-put and more influence of our institutions around the world.

I would love to see more people coming in, and I would love to see more training, more qualifications assistance and more school places made available. Education is very very powerful. This is always given as the example, but the King of Bahrain or the Emirate of Kuwait went to Sandhurst. It has lived with them for the rest of their lives, and it is tremendously useful for defence contracts later down the line, if I am allowed to say that. These are very useful contacts.

Q241 Baroness Morris of Bolton: I have to declare an interest. I have just been to Jordan with the mayor, where I saw at first hand the very great soft power of the institution of the lord mayor. Can I just say that I agree with you entirely on education? The very first time I went to Kuwait I kept meeting people who said that they loved Dundee. I could not understand why they loved Dundee, not that there is anything wrong with Dundee, of course. It was just that they had all been to university in Dundee, and of course when they started to have their own companies they started to trade with Dundee and had a wonderful time.

Roger Gifford: Dundee, by the way, has a fantastic new waterfront development plan, if you have not seen it. That soft power investment will be enormously valuable to that part of Scotland. It will be really powerful.

Baroness Morris of Bolton: You just mentioned the British Council and that you would like to see it doing more. In our previous sessions, people talked about UKTI and that perhaps it concentrated too much on large companies and not enough on SMEs. Probably more than any other witness we are going to have in front of us, in your year as Lord Mayor—I do not know how many countries you have been to—you will have seen at first

hand the workings of the British Council and UKTI, and I wonder what your general overall feel is of whether we have the support that we need. Could we perhaps arrange it in a different way?

Roger Gifford: I have been to about 30 countries this year, of which maybe 20-ish are emerging markets as opposed to 10 being European or Japan/Korea. The British Council and UKTI are very separate entities. I will take the second one first. UKTI is doing a fantastic job in many countries. In Lagos, Istanbul, Colombia and Mexico, for instance it was absolutely first class. The determination to find deals, to do them, to communicate, to connect, to push people has been really impressive. In one or two other countries, it has been less impressive. I would say that it is occasionally patchy, but on the whole it is a million times better than I remember it 15 years ago when I lived in Japan and was travelling around a bit then. I really think that government Ministers engaged in travelling, beating it (UKTI efforts) up wherever it goes and saying, “Come on”, have really motivated a new UKTI, and I think it is doing really well. It could be better in some areas, yes, but on the whole it is doing really well.

The British Council, I feel, is just rediscovering itself a little. It is rolling out a new agenda, a new strategy, which is centred around English language teaching and then moving into other areas. I would love to see all grist to its mill. It was stronger perhaps, but now it is coming back, following the new Foreign Office approach overseas—becoming more engaged. I would love to see the British Council used more. In some areas, such as Nigeria, it is one of the primary educators of the English language. It would be great to see that everywhere.

Q242 Lord Janvrin: It is perhaps slightly unfair to ask you this, given that your focus is on financial services, but we have heard endlessly that we have great soft power assets—better than the Germans et cetera—yet we still struggle to be the competitive exporting nation that we aspire to be. I know that the financial services are in a slightly different box here, but you have been saying how useful the soft power assets—the BBC, the English language, the British Council, culture et cetera—are. Why, then, do we still struggle to be really competitive in the world?

Roger Gifford: I completely agree with you. The financial services are in a different category. We have the Prudential, Standard Chartered and HSBC all over the world. We have an English-based law firm in every city around the world—everywhere they can be. They can do better, they can do more, but on the whole they know what the market is and they are doing pretty well. When it comes to the trade side, we have also had the comment everywhere that British companies could do more and that there could be more of them. There are always one or two large ones. There is always Arup, Balfour Beatty, maybe Atkins and one or two others, but we have 10, 15 or 20 companies that do a lot of activity, whereas the Germans have 50 companies do a lot of activity. I think the answer is that we just keep beating on their doors and persuading and encouraging them to go abroad and do more. That, in combination with the soft power asset of people liking the UK, should be more powerful. I do think that we are already seeing a change and that it is different from even four or five years ago. There is a focus on this area and getting companies out more, UKTI is more focused on what it is doing, and I think that we will look back on a better export performance and see the results of the investments that are being made. But it is frustratingly slow.

The second point I would make is that I do not think that the export figures always show the full picture. Jardines and Swire, for instance, are all over the Far East and are doing very successful business in Indonesia, Malaysia, Hong Kong, Vietnam and Taiwan. You do not see that in the export figures. It is not there, because they are not directly part of a UK export.

We should not discount the effect that many old fashioned trading companies have. It is probably not a major factor in the overall scheme, but it is definitely there.

I am not sure I fully answered your question about why, with all the soft power that we have, we are not more competitive.

Lord Janvrin: I do not know what the answer is. I am not sure there is an easy answer. I just wondered, looking from your unique perspective and having travelled a lot and seen the use of soft power, why we still struggle to compete with the Germans, who allegedly do not have the soft power assets that we have.

Roger Gifford: Or indeed some of the Koreans. We really have to get better at it. There is no other answer. Have we been lazy? Have we been slow? Have we been reactive rather than proactive? All those are true.

Q243 Lord Foulkes of Cumnock: I think the Lord Mayor's comments on Dundee are very interesting and something that we should follow up. The waterfront has changed dramatically. The games industry is now centred in Dundee. "Grand Theft Auto", which is taking the whole world by storm, comes from Dundee, and Abertay University is a world-class university, as well as Dundee and St Andrews, of course. Dundee has also been put forward to be the City of Culture. I think there is a lag in perception; people still think of what it was like 10 or 20 years ago. But I want to ask you something completely different. Could we learn anything from Sweden?

Roger Gifford: Yes, I think we can. I think we have learnt quite a bit from Sweden. The "Northern Forum" that has been established (by the Prime Minister) in the last few years has been really productive and really interesting. It is nice to look at a successful socialist-capitalist country and ask whether we could be more like them. They have developed this over decades and have very specific reasons for the way they are, but there are aspects to look at, prisons for instance.

Sweden has a very low prison population, because offenders are put back out into the communities. That is really interesting. Could we not emulate that more?

Lord Foulkes of Cumnock: But in terms of soft power?

Roger Gifford: In soft power we beat them hands down, but they have some tremendous assets: health, the cleanliness of the country, clean tech. If you want an environmentally correct energy company, you can find it in Sweden. That might not be completely true, but that is what I would say.

Lord Foulkes of Cumnock: And IKEA.

Roger Gifford: And IKEA, and Ericsson, and Volvo—"the safest car in the world".

The Chairman: Do you feel that the financial services part of the City is sufficiently geared up to conquer new pastures? Government leaders are talking about Islamic finance and Sharia procedures for governing finance. Our Chancellor is talking about making London the offshore centre for the development of the renminbi, as it gradually becomes an international currency. These are huge further areas to conquer. Do you feel that we are equipped to do that?

Roger Gifford: Yes I do, absolutely. London does half the world's global foreign exchange, so it is the perfect place to do RMB, and Luxembourg will not hold a candle to that.

On Islamic finance, we have a very good opportunity as a country that can draw together the best practice from the Gulf states and from Malaysia and Indonesia to try to make an

international model on it. The problem with a lot of the Islamic finance in the Gulf states, and in Turkey and Egypt, which do quite a lot of it too, is that there is a lot of argument about what is exactly the right kind of law, what is Sharia law and what is not, which Malaysia does not have; Malaysia has a single Sharia board for the whole country. Between us and Malaysia, we can bring a standard and a way of doing Islamic finance that is acceptable to everybody and that could become a gold standard of how to do it. There is an opportunity there. It is still a very small part of the market. We are very hopeful and very optimistic, and it could grow significantly, but today it is still small, so we want to encourage it and see it grow. Let us watch that space.

What for me is very attractive about Islamic finance is the discussion about healthy capitalism and moral banking. There is a lot in Islamic finance that is about participation, sharing profits and sharing risks, even if in practice it comes over a bit more like conventional banking actually. I said this to one Islamic banker recently, and he said, “It is just like conventional banking really”. But the discussion around it is very good. You discuss participation with your client, which is good and right and is one of the most attractive parts of it. Certainly if you speak to somebody who does Islamic banking, they are passionate about their relationship with the customer, and that has to be a good thing. I think we can learn from that.

Q244 Baroness Armstrong of Hill Top: That brings me to my anxiety about the influence of the City. How can I put this? I am not against a successful banking industry. However, following the crash and what went on then, the City of London has a bit of catching up to do. I do a lot in the voluntary sector. I remember that one of the leaders of one of the collective voluntary organisations suggested, when there was all the row about bonuses, that maybe the bankers would do a little bit better if they gave some of their bonuses to—I do not know—the homeless. I cannot remember the exact proposal. They got the most vitriolic series of telephone calls and e-mails, which were abusive, quite honestly. You just sort of wondered where this culture had got to. Soft power depends on relationships at the end of the day and the nature of the relationships that you build. How do you find that, and how do you see people in the financial services industry tackling that? I like what you say about Islamic banking. I have some very good friends from Mombasa who talk to me about this a lot and how much our financial services would have benefited if they had had some of the humility that you have to have if you are going to say, “A tenth of my income has to go to the poor”, or whatever. That is what a good Islamic household would say.

Roger Gifford: They do say that. They do not pay income tax. Taxes versus philanthropy is one of the major discussions of the past year. It is a really interesting relationship. Warren Buffett famously pays 18% income tax and he thought that he ought to pay 20% like his secretary—it was a few extra hundred million. You think, “Well, okay, if I was paying 18% income tax, I might have a different approach, too”. Leaving that aside, I completely agree with you about humility, about tackling the culture and about the need to reconnect with clients. The City is serving; it is not an end in itself. Adair Turner was right when he talked about socially useless instruments that were there for their own sake because they were theoretically and mathematically possible rather than being useful to the client. I completely agree. I am really sorry to hear about whoever it was who gave the charity an earful about bonuses. The response of the City has been completely to restructure the remuneration side, to the extent that it goes into future shares in the business and not just towards cash. I must say that I am hugely impressed by the number of banks and companies that come along the whole time and say, “This is what we’re doing in charity. This is the volunteering we’re doing”, and they put on a bit of paper the amount of things that they are doing for charity.

Now, does that represent a culture change in itself? No, it does not, but the more language we have around this, the more we can show the changes that have happened. There have been changes in management, in governance, and in capital and liquidity structures. There have been huge changes in remuneration structure which we think are producing a change in culture, too.

Baroness Armstrong of Hill Top: Because that is what in the end will help your soft power.

Roger Gifford: Yes, I agree. Soft power is about relationships and trust. If you lose trust, you lose a relationship and you lose the soft power.

The Chairman: Do you think, Lord Mayor, that the Commonwealth and our membership of it have any additional contribution to make in this whole field?

Roger Gifford: Yes, I do. I have been to four or five Commonwealth countries this year. I know that my predecessors went to six countries last year, and about six or seven the year before. The affinity that they feel with Britain is clearly a good thing. I think we could do more to focus on a Commonwealth trading, sales and export strategy. We have discussed it with the Commonwealth organisation and we always try to include a number of Commonwealth countries wherever we go. Nigeria and Ghana are good examples—I have been to Malaysia this year. There is always that feeling of inclusion and a willingness to do business. We could do more.

The Chairman: You particularly mentioned trust, which is obviously a quality.

Q245 Baroness Hussein-Ece: I would like to ask the Lord Mayor a slightly different question, although I was fascinated listening to the previous discussion. Do you think the financial institutions, or these very powerful people in the City, do enough to give back? The United States has a great tradition of philanthropy in the arts, of sponsorship and of giving the arts more of an opportunity. The arts in this country are huge. We have already heard about the artists, musicians, writers and screenwriters. We export a lot of that around the world hugely. We are a centre, a real hub, for that. Do you think that the financial services could do more to support that as a way of promoting soft power?

Roger Gifford: Yes. They can always do more. It is very hard to sit as a judge in a moral sense of whether somebody gives enough. I do not think that that was the meaning of your question, but I think that it is very hard for anyone in the City of London Corporation to say whether you should be giving more. We can try to present the opportunities for giving and make it as attractive as possible to do so. In that respect, Americans are often held up as the pinnacle of giving. They pay much lower tax rates and have much better tax incentives to give, particularly in inheritance taxes. One should not look at this just in money terms, but there is that angle that makes it attractive to give. I find JustGiving a fantastic incentive to give. We can develop more ways of giving like that which will be helpful to people. Do the wealthy in our society give enough? Certainly, the figures suggest that arts organisations rely hugely on many people, banks and organisations in the City for their funding. We are very actively trying to encourage more. We have the Heart of the City organisation, we have the City philanthropy trust, we have had philanthropy seminars all year encouraging people to do more—crowdfunding, crowdgiving. I do not think that we are in a bad place. I think we can hit ourselves over the back too much on this. We are not in a terrible place, but of course we will try to do more. It is part of the changing culture that we want to see people being demonstrably involved in charity work.

The Chairman: Lord Mayor, we have been put in a bad place as a Committee because under the law of Sod there is a Division, which means that we have to end the hearing. I know that you have to go at 5.45 anyway. By the time we got back, it would be past your time here and we have placed great demands on you. We have had 40 minutes of your extremely illuminating comments. I personally would like to say that it seems to me that, as Lord Mayor, you have presided over a year of staggering improvement in your area where there have been many tribulations in the past. I suspect that you have played a key part in that, so we should congratulate you. We note that in a few days you will be passing the baton to the second lady Lord Mayor, I think, in history. We would like to wish you well. We apologise for a slightly curtailed meeting but we have to go and vote, and you have to go to other business.

Roger Gifford: If I may, we have some material to send in which might illuminate some of the points more.

The Chairman: That would be very helpful.

Roger Gifford, Lord Mayor of London – Supplementary written evidence

I was grateful for the opportunity to provide evidence to your Committee on Soft Power and the UK's influence so near to the conclusion of my term of office.

The Division Bell curtailed the opportunity to complete our session but perhaps I might take this opportunity to make a few supplementary observations based on my experience of the last twelve months – which I think reflect the views of successive Lord Mayors, and I know are shared by my successor Fiona Woolf who begins her year as Lord Mayor on Friday.

The Mayoralty

The office of Lord Mayor is a prime example of the value and the virtues of soft power. I stand in a line stretching back to 1189. It is, now, an office with little formal executive power: we do not make policy decisions in the way ministers or business leaders do. But the antiquity of the office, worn lightly, lends it an authority and an authenticity that relatively few other institutions can match. It is also politically neutral – and works impartially and constructively with Governments whatever their party affiliations.

That authority, authenticity and neutrality is I believe best deployed by using the convening power of the office to bring together a wide range of people and institutions, and to act as a focus for an equally wide range of activities - whether that is through the City's networks of philanthropic activity and charity (livery companies and reserve forces associations in particular) or, increasingly, as a spokesman for the financial and business City.

In this respect I believe that the office of the Lord Mayor is a powerful lever of soft power. The concept of the City encompasses not only the cluster of financial services based in the City of London, but also the whole range of assets based there, especially our heritage and our arts cluster centred around the Barbican.

The City Brand

And beyond that geography, the Lord Mayor as leader of the City speaks for the whole of the UK's financial and professional services industry – one that is internationally owned and staffed, employs almost two million people and creates a tenth of our GDP. The idea of "The City" is therefore a global brand – an asset for Britain and, dare I say it, Europe.

The Lord Mayor promotes this City brand through advocacy at home, but also abroad - where each Lord Mayor spends around a quarter of their year in office batting for the City and for the UK in established markets and, increasingly, in the emerging markets of Africa, South America and the Far East. I attach a list of the visits undertaken in recent years, and those currently planned for next year.

Overseas Visits

This programme of overseas visits, on which the Lord Mayor usually works closely with an accompanying business delegation, is exactly about soft power. My own experience is that

the Lord Mayor has a unique ability to open doors, to say things which perhaps a Government minister might not wish to say, and to spread the influence of Britain and our services industry. This focal point for the interests of the UK's financial and professional services sector is something that other financial centres do not have – but which many would love to emulate.

It is difficult to estimate the exact outcomes of this work in terms of contracts won, and jobs and growth created but it can be noted that, as a percentage of GDP, financial and professional services have doubled in the last decade to some 15%. The significant benefits are also in the areas of your Committee's inquiry: of influence, of long term relationships established and nurtured, of new relationships opened up, of British expertise showcased – the framework or background in which British business can go out and sell itself.

Specific examples include:

- leading and convening work with developing financial centres in building up their capacity in providing financial services, most notably in Moscow and Istanbul. This work is done 'for free' but is already leading to contracts for UK firms.
- heading up the City of London Advisory Councils for China and India;
- the City's highly successful initiative in developing its own capacity as a centre for RMB trading;
- promoting London as a hub for social investment – leading to the City's own social investment fund and working closely with the City's Policy Chairman in getting the tax, regulatory and legal framework for financial services right;
- working closely with TheCityUK – as President of its Advisory Council, but also in promoting the City as a financial centre;
- the whole panoply of the City's charitable and philanthropic activities –over 100 livery companies, the City churches and many other charities, not least the City's own charity, the City Bridge Trust, which has just launched a new programme – "Investing in Londoners", and makes grants of around £15 million each year;
- encouraging City businesses to support the Armed Forces and the Reserves, an increasingly important part of what the City does and which has had particular prominence in the last year.

UK Institutions

The City of London works very closely with institutions such as UKTI and the British Council which, as I said, do an excellent job in opening doors for British business. We see this as being increasingly important in our age of globalisation and instant communication.

On the other hand, I have heard many comments in the course of the last twelve months that UK firms are not taking full advantage of the trade opportunities and that they are not as active or hungry for business as counterparts from some of our key competitors. So there is much still to do.

I would be delighted to supply more information if that would be helpful as I believe that the work of your Committee will allow us to build more effectively on the openings that our successful deployment of soft power creates. We all look forward to assisting that process.

6 November 2013

Professor Marie Gillespie and Dr Alban Webb, Open University – Written evidence

The BBC World Service and British Council as Premier UK Soft Power Assets

The focus of this submission is on the BBCWS and BC as premier UK soft power assets. This submission is based on research carried out at the Centre for Research on Socio-Cultural Change (CReSC) at the Open University which is funded by the UK's Economic and Social Research Council (www.cresc.ac.uk). It is written by Prof. Marie Gillespie and Dr. Alban Webb. It is our synthesis of the findings, relevant to this call for evidence, of a large-scale collaborative research project on the BBC World Service conducted over the last decade⁹⁶. The wider research has involved over a dozen leading scholars, based in the UK and internationally, including Dr Ramy Aly, Dr Gerd Baumann, Prof. David Herbert, Dr Hugh Mackay, Professor Annabelle Sreberny, Dr Massoumeh Torfeh, Dr Andrew Skuse, Dr Jason Toynbee and Prof. Kath Woodward. More recently, Gillespie and Webb's research develops a comparative analysis of the changing cultural value of the BBC World Service (BBCWS) and the British Council (BC) and we include findings where relevant here. Page 1-7 summarise the key points of this submission. Pages 8-16 provide more extensive responses to those questions most relevant to our research. The endnotes provide details of key publications based on our research. The Appendix includes our response to the 'Public consultation on BBC Trust governance of BBC World Service, via an operating licence' [not reproduced here] which is relevant to this submission. We also include two academic papers for your consideration:

Gillespie, M. and Webb, A., eds. 2012. *Diasporas and Diplomacy: Cosmopolitan Contact Zones at the BBC World Service 1932-2012* London: Routledge. pp. 1-21 [not reproduced here]
Gillespie, M., 2013 'BBC Arabic, Social Media and Citizen Production: An Experiment in Digital Democracy before the Arab Spring'. *Theory, Culture and Society*. Vol 29 No 3. pp 92-131 [not reproduced here]

SUMMARY OF EVIDENCE TO HOUSE OF LORDS SELECT COMMITTEE ON SOFT POWER AND THE UK'S INFLUENCE

The meaning and importance of soft power

- The term soft power is used in a confusing variety of ways and is often accompanied by a simplistic transmission model of communication whereby it is wrongly assumed that the message intended is the message received.
- A major problem with the concept is its focus on the projection rather than reception of meanings in complex cultural and communication environments.
- There is an urgent need to reframe and appraise uses of the term soft power and the policies and practices based on it and to devise suitable means and methods for assessing soft power projects.

⁹⁶ See project website <http://www.open.ac.uk/researchprojects/diasporas/>. The first research (2007-10) was funded by the UK Arts and Humanities Research Council (AHRC) followed by a second round of AHRC funding for a project on 'The Art of Intercultural Dialogue: Evaluating the Global Conversation at the BBCWS'.
<http://www.open.ac.uk/researchprojects/diasporas/news/public-policy-fellowship-at-the-bbc-world-service>

- An overly instrumental view which views culture simply as a tool carries risks. Unless there is a genuine cultural experience and engagement, soft power projects are doomed to fail.
- Influence is built up over time, via institutions like BBCWS Service and the BC and the trust and empathy that they create, channel and reproduce as a by-product of their essential work.
- When soft power becomes the objective in its own right, it is liable to struggle or fail.
- Investment in long term strategic soft power institutions is a much better way of maintaining UK influence in the world, especially in a digital age and era of austerity.
- In this context it becomes imperative to understand how and why the BBCWS and BC matter for 21st Century – their role in democratization, development, civil society, diplomacy, human rights and security.
- We are dismayed to find that in the call for evidence, academics are not featured as a group from whom the committee 'is keen to take evidence'. There is an over-reliance on market research and concepts drawn from the literature on Public Relations in this domain.

How important is a country's soft power? What is the evidence that soft power makes a difference?

- Our independent research over a decade provides abundant evidence that these organisations enable the UK to punch above its weight in the international cultural domain – for relatively little economic cost, the cultural and soft power gains are outstanding.
- The trust, respect, empathy and loyalty built up over eight decades by BBCWS is now gravely endangered following devastating funding cuts following the Comprehensive Spending Review of 2010), that continue to have convulsive effects on the BBCWS and have all but eliminated its cultural programming.
- Funding cuts reflect the present government's lack of understanding of the historical and contemporary role that these organisations have played as the UK's pre-eminent agencies of soft power. It is our hope that Lords Committee can exert some influence to redress this.
- Awareness of the value of the BBCWS falls below the radar of the vast majority of British public and the risk is that when it comes under the licence fee, it will become even more vulnerable and exposed.
- How these major shifts in finance and governance, technology and editorial focus play out will matter greatly for how Britain is perceived around the world and for its ability to influence by attraction – its exercise of 'soft power'.

- We urge the House of Lords Committee to pay keen attention to these developments and we include with this document, our response to the Public Consultation on BBC Trust governance of BBC World Service, via an operating licence (see Appendix [not reproduced here]) which argues the case for more substantial protection of WS, its staff in the Language Services and its distinctive culture of broadcasting.
- Our independent research makes visible the important role played by successive waves of exiled, refugee, dissident, migrant and transnational intellectuals and writers who have helped to establish and renew the BBC's reputation as one of the world's most credible and trusted international broadcasters. We lose this soft power at our peril and once lost it will not be regained in a media saturated world where voices struggle to be heard.

In a digitally connected world, is soft power becoming more important? If so, why, and will this trend continue?

- BBC World Service and the British Council are becoming digital organisations and there is therefore an urgent need to re-think and re-formulate ways of working with overseas publics and the work of international cultural relations.
- The key task is to devise appropriate new ways of working that build on the successes of the past and face to face interactions in order to engage new audiences.
- Real-time quantitative or 'big' data' on user activities presents real opportunities as well as challenges. In order to understand how soft power functions, we need to understand the quality of individual cultural experiences and how such experiences are valued.
- But while the technologies may change the essential work of these organisations remains the same in communicating credible and independent news and providing opportunities for overseas groups to engage in meaningful ways with Britain and the world.
- The 'global conversations' around BBCWS news and world events, cultural and artistic activities, facilitated by digital media demonstrate a level of trust which will be critical for both organisations to harness. However, a lot more investment in creating a social media strategy and means of assessment is required.
- Digital media change the nature of trust in/resulting from cultural organisations as they can no longer exercise the same levels of control over narratives or audiences in specific geographic territories so we need to understand more about how trust and empathy are made, maintained and broken on line.
- Soft power is more important in a digital age because issues of identity, trust, conflict and security take on new dimensions. And digital media have the power to shift the

narrative frame of governments and news agencies, to orchestrate mass protests and help to depose autocratic leaders.

- Citizens and publics now expect credible and convincing explanations and appropriate evidence from governments and if they don't get in mainstream media they look to social media.
- Our and other research on social suggests that users are more likely to trust and believe their peers rather than politicians or media.

Are the Government doing enough to help the UK maximise the extent of, and benefit gained from, its soft power? What more – or less – should the Government do to encourage the generation and use of soft power?

- At a time of austerity it is sometimes difficult to look beyond economic imperatives. However, to assess the value of soft power in predominantly economic terms, as the British government is prone to do, reveals a deep misunderstanding about the nature, impact and efficacy of soft power activities.

Are there spheres of influence in which the Government should do more to promote the UK?

- Higher Education. Current restrictions on studying in UK HE for overseas students are incomprehensible in terms of UK soft power.
- Disinvestment in arts education and funding and arts and cultural exchanges - is seriously damaging future possibilities for fostering a creative, multilingual Britain that is open to the wider world.
- Cultural and Arts programming at BBCWS is a key area which can promote the UK. It is a well-known saying at BBCWS that 'audiences come for news but stay because of the rich mix of drama, sports, music and other genres.' Funding cuts mean that news is the chief focus. Arts, drama and culture are deemed by some as 'soft news' but without arts and cultural genres the UK loses vital soft power tools.
- The cosmopolitan work force, culture and ethos of the BBCWS and BC and the skills in translation (linguistic and cultural) of its workforce have much to teach other international organisations. This could be further exploited as part of UK soft power⁹⁷.

Can you give examples of where attempts to employ soft power have been unsuccessful, for instance because they delivered counter-productive results?

⁹⁷ For the cosmopolitan culture see *Tales From Bush House*. 2012. Eds. Ismailov, H., Gillespie, M., and Aslanyan, A. London: Hertfordshire Press ISBN 978-0-9557549-7-5 <http://oro.open.ac.uk/36280/> and Writers at Bush House. Special Issue. Guest editor, Gillespie, M. Wasafiri : International Writing No 68 Winter 2011

- Soft power doesn't respond to rigid objectives. It works best when institutions do what they do well.
- Soft power is not part of the main objective or purpose of either the WS or the BC. It is a long term outcome and capability not short term objective.
- Soft Power can be used to exert influence and deliver short term advantages in tactical ways and can exert the right kind of influence and pressure at critical moments and in an appropriate context (London Olympics 2012).
- In the long term, to maintain their soft power, institutions have to carry out their activities in ways that people recognise as credible and valuable over a long period of time.

What should the UK be aiming for in five years' time in its possession and deployment of soft power and influence?

- Long term and stable investment in key agencies of soft power is most important.
- Investment in the evaluation of soft power and its cultural, diplomatic, and technological drivers and impact also needs more investment with a range of partners including (not excluding) academics.
- A sense that UK soft power actors/agencies have an understanding of their relationship to each other and more an awareness of their mutual influence. This will require strategic oversight. Over the last decade attempts to build this capacity, especially in the Foreign and Commonwealth Office, have suffered successive funding cuts to the detriment of UK public diplomacy.

Soft power and diplomacy: How best should the UK's foreign policy and approach to diplomacy respond to the new global communications environment, where social media have rapidly become prominent, where alternative media organisations (such as Al Jazeera) have multiplied in power and reach, and where the grips of traditional elites on the flows of information in their countries have weakened?

- Communication and information must be credible and consistent. BBCWS has always had to face competition from other organisations and respond to new initiatives to some extent (satellite broadcasting and now digital media) but to maintain soft power the BBCWS must not and does not traduce its long established journalistic ethos by mimicking the likes of Al Jazeera in the same way that they didn't mimic Goebbels.
- Digital media provide a range of new opportunities. Traditional elites are no longer a discrete group. There are many new players and influencers in social networks that we need to understand. To do this, however, requires a commitment to investment in appropriate evaluative methodologies. Sadly this is not being done.

How can the UK promote its values abroad without being accused of cultural imperialism, propagandising, or hypocrisy?

- It is the enactment of these values, for example the UK's demonstrable commitment to freedom of speech, human rights and the rule of law that provide the most credible means with which to promote them. Good examples include: fair play during the London Olympics, the pedagogic rigour and conduct of British Council exams, or the reporting by BBCWS of division in British society on the question of military intervention in Syria. These are exemplary of the values the UK wishes to promote and which in some cases are embedded in the activities of UK soft power agencies. How people relate to, understand, engage with and trust UK soft power actors can be as important as the information/news/message they are conveying. How agencies of soft power exude and emanate values is the key to understanding how soft power works.

Learning from others: Are other countries, or non-state actors, performing better than the UK in maximising the extent of, and their benefits from, their soft power resources?

- It depends of the measure of success one chooses. It is clear, however, that others, especially the BRIC countries are investing a great deal more money and effort into their international media and public diplomacy agencies than the United Kingdom.

Are there any soft power approaches used by other countries that are particularly relevant to the UK, with its institutional mix of public sector bodies, private sector enterprises, and civil society organisations?

- Investing in arts and cultural programming to sit alongside the provision of news in international broadcasting has a long tradition in the BBCWS and delivered important soft power dividends in the past. For most of its life the BBCWS broadcast translations of great works of literature, show cased new musicians from all over the world, introduced overseas audiences to the arts in the UK. It is to the detriment to its soft power capability that this has more or less disappeared with arts and culture reported only as news with rare exceptions.
- The provision of educational resources overseas must be a crucial part of the UK's soft power strategy and the restrictions on international students studying in the UK should be lifted.

What is your assessment of the role played by the English language, and English-language publications, in advancing the UK's influence abroad, bearing in mind that English is the working language of the Commonwealth, which embraces roughly a third of the world's population? What more can be done to leverage this?

- UK Higher Education and the desire to learn the English Language go hand in hand and are vital to soft power.

- Promoting and teaching the English language is the primary mission of the British Council. Their offices and libraries around the world have been one of the most visible material markers of Britain abroad. Anything that weakens their ability to fulfil this mission depleted UK soft power.
- The BBCWS is a major tool for promoting the English language alongside the BC. Both organisations are looking for new ways of working and partnering and the research partnership forged with the Open University - another tool of UK soft power – is but one example of the potential of public/private partnerships to project the UK abroad via a judicious combination of culture and education – informing, educating and entertaining in the digital sphere.

What is the long term impact of budgetary cuts to publicly funded bodies promoting British culture overseas?

They will either become reliant on other sources of commercial funding which will inevitably influence their objectives and may result in conflicts of interest for UK soft power, or cease to have influence across a broad spectrum of activities and lack capacity for reach and engagement with overseas publics.

EVIDENCE TO HOUSE OF LORDS SELECT COMMITTEE ON SOFT POWER AND THE UK'S INFLUENCE

The meaning and importance of soft power

• What is your understanding of 'soft power'? What does it mean for the work that you do?

'Soft power' is a useful shorthand term, when used in popular and public discourse, to refer to the various ways in which nation states deploy a variety of resources (including arts, culture, education, sports and business) to project a positive national image overseas and communicate values which they seek to promote. It involves, in Joseph Nye's terms, the power to influence by attraction – 'to get what you want'.

Nye appears to conflate the power of nation states and individuals. So while it is a useful shorthand term, from an academic perspective, it is a confused and confounding concept. Part of the problem is that use of the term soft power is often accompanied by a simplistic transmission model of communication – long since dismissed in academic studies of international communications.

The assumption is that if policy makers can design the right 'messaging' strategy, strategic narrative or strategic script then audiences will receive it in a relatively unproblematic manner. Often, such narratives concern human rights, better governance, democratic principles, civic responsibilities and gender equity. A common assumption is that power lies in the hands of the media and the communicator to shape meanings. This ignores 80 years of audience research which shows that the messages intended and messages received are not equivalent and that the contexts of reception mean that audiences interpret messages and reshape meanings in very diverse ways. So a major problem with the concept is its focus on projection rather than reception.

The uncritical use, overuse and abuse of the term 'soft power' have reached new heights in recent times. It is used to refer to branding nations and places, marketing for sports events and religious groups, and public relations for celebrities, promoting gay rights and gender equality. 'Soft' is an adjective that is often used as a synonym for culture - soft power as opposed to hard, kinetic and military power and, as result of this, it seems always and inevitably to be a good thing. But is it? Any term that seems to convey something inevitably good is suspect and is doing a good deal of ideological work. Who can argue against using soft power instead of hard power? Even Joseph Nye recognises some of the inherent problems with the term and has started using the term 'smart power' to overcome these difficulties and to argue the case for a strategic combination of soft and hard power. This not only seems to be a rather simplistic way of communicating life and death issues but also the conceptual boundaries between soft power and public diplomacy and cultural diplomacy and soft power are unclear and this causes further confusion.

Nevertheless academics, like Prof John Holden in a recent report for the British Council, deploy the term to argue that the UK risks losing out in the game of 'influence and attraction' and what he refers to as 'the race to soft power in the 21st century.'⁹⁸ This is an important report but it begs a number of questions about the kinds of data that are mobilised to evidence the success of soft power projects. There is a need for fresh thinking about new ways of working in the field of international cultural relations in a digital age. Not enough emphasis has been given to evaluating soft power projects and the best means and methods for doing so. And evaluation becomes even more important in a digital age of interactive and dialogic media which are transforming our ways of communicating. New forms of evidence, including 'big data' are being integrated into institutional processes of accountability, governance, strategy and development.

Like it or not, soft power is a term with which we have to contend as actions and resources are deployed to increase and enhance it in our name. Politicians, policy-makers, academics and citizens alike need to understand the ideological work that the term and associated activities are doing in different zones of political and cultural activity. We also need to develop new ways of assessing the value of soft power initiatives in a digital world. At the Centre for Research on Socio-Cultural Change at The Open University, we are drawing on the findings of nearly a decade of research that we have conducted, from a multi-disciplinary perspective – Social Sciences, Arts and Humanities) on the BBC World Service, as well as more recent work the British Council (see endnote 1).

As two of the UK's foremost 'soft power' international organisations, our current research investigates how influence, attraction and soft power are assessed and measured by these organisations and the UK government, the methods used and how various kinds of data are used to evince success or failure. This is critical because both governments and mass media tend to understand and construct culture(s) in a colloquial sense, as a set of short-hand de-contextualised traits, behaviours or attitudes that can ultimately be shifted. Such concerns open spaces for thinking about the cultural nuances that specific organisations such as the BBC World Service and British Council bring to the soft power agenda.

This is part of a wider research project funded by the Arts and Humanities Research Council on Cultural Value.⁹⁹ Its central goal is to rebalance our understanding of both the

⁹⁸ <http://www.britishcouncil.org/press/changing-soft-power-report>

⁹⁹ <http://www.ahrc.ac.uk/Funded-Research/Funded-themes-and-programmes/Cultural-Value-Project/Pages/News.aspx>

instrumental and intrinsic value of cultural organisations and their activities – the pendulum has swung too far towards government seeing culture in purely instrumental terms – and this is a risk that overuse of the term soft power. Our research shows that unless there is a genuine cultural experience, soft power projects are doomed to fail.

We are interested in what culture can do for government but we argue that we must not lose sight of the actual experiences of culture (whether a film, a play or a news bulletin) in which meanings are made and remade, contested and rejected. Influence is built up over time, via institutions like BBCWS and BC and the trust and empathy that they create, channel and reproduce as a by-product of their essential work. When soft power becomes the objective in its own right it is liable to struggle or fail. Investment in long term strategic soft power institutions is a much better way of maintaining UK influence in the world, especially in an era of austerity.

This task of assessing the changing cultural value of the BBC World Service and the British Council becomes even more urgent as these organisations are facing a critical turning point in their 80 years' history. These organisations and their activities are experiencing a sea change in funding, governance and technological innovation and this is reshaping how they operate in the international sphere as instruments of British Soft Power. As they become digital organisations, and as big data sets become available that make it possible to analyse the nature, scope, scale and quality of interactions between these organisations and their users and audiences, they can become more transparent and accountable. New data sets allow us to analyse information flows, the global communication networks in which users are embedded and the new kinds of influence and influencers at play in the new media landscape. In this context, it becomes imperative to understand how and why the BBCWS and BC matter for 21st Century – their role in democratization, development, civil society, diplomacy, human rights and security.

The work of this committee is therefore of great interest to us as CRESC researchers. But we are dismayed to find that in the call for evidence, academics are not featured as a group from whom the committee 'is keen to take evidence'. Why is this so?

• How important is a country's soft power? What is the evidence that soft power makes a difference?

Our research has brought together international scholars and CRESC researchers to work collaboratively to examine and evidence diverse aspects of the BBCWS, for example, the evolution of World Music¹⁰⁰, global sports¹⁰¹ and drama¹⁰² as well as a range of more conceptually focussed themes including diaspora nationalism¹⁰³, religious fundamentalisms and trans-nationalism in online environments¹⁰⁴, and the politics of translation¹⁰⁵. We provide empirical case studies on a wide range of issues : from changing audience configurations for BBWS from the 1930s onwards through to World War Two political satire and the problems of reporting Jewish persecution, to the historical role of the BBC and UK diplomatic relations in South Asia, the Middle East and Iran (see endnote 10). Much of our

¹⁰⁰ See: Toynbee, J. and Dueck, B., eds. 2011. *Migrating Music* London:Routledge

¹⁰¹ See: <http://www.open.ac.uk/researchprojects/diasporas/core-research/sports-across-diasporas>

¹⁰² See: <http://www.open.ac.uk/researchprojects/diasporas/core-research/drama-for-development>

¹⁰³ See: <http://www.open.ac.uk/researchprojects/diasporas/core-research/diasporic-nationhood>

¹⁰⁴ See: <http://www.open.ac.uk/researchprojects/diasporas/core-research/religious-transnationalism>

¹⁰⁵ See: <http://www.open.ac.uk/researchprojects/diasporas/core-research/politics-of-translation>

recent work has focussed on the way new interactive online media are transforming audiences, creating 'digital diasporas', and challenging established journalistic principles. All this research provides solid evidence that the soft power created and channelled by the BBCWS makes a huge difference for how the UK is viewed, the values it seeks to promote and the trust and empathy the enjoys and imparts.

Putting aside the conceptual difficulties with the term soft power itself, we argue that the work of the BBCWS and BC have been absolutely vital to UK soft power – to how the UK is seen abroad, the level of trust it enjoys and the attractions, for example, of the UK's Higher Education, tourism and doing business in and with UK. We also argue that the trust and respect for, empathy and loyalty to the UK built up over eight decades is now gravely endangered by the present government's lack of understanding of the historical and contemporary role that these organisations have played as agencies of soft power.

The BBC World Service, often referred to as the 'voice of Britain abroad', is very well known to over 192 million people around the globe who regularly tune in or log on to one of its 27 language services (plus English). But awareness and knowledge of BBCWS (as well as the British Council) fall below the radar of the British public, with the exception of intrepid travellers, digital natives, and insomniacs who listen to BBC Radio 4 in the darkest hours of the night when World Service programmes are broadcast. This is a shame because from April 2014, British citizens will pay for its services.

Ongoing major changes in its governance, funding, and place in within the internal organisation of the BBC (it has been absorbed by BBC Global News, itself a division of the BBC News Group) pose significant threats to the distinctive voice, international perspective and unique cosmopolitan culture that makes BBCWS so successful. They also offer opportunities to deliver a more integrated news service with a stronger international perspective in domestic output utilising the skills and capacities of multi-lingual and cosmopolitan staff. How these shifts play out will matter greatly for how Britain is perceived around the world and for its ability to influence by attraction – its exercise of 'soft power'. We urge the House of Lords Committee to pay keen attention to these developments and we include with this document, our response to the Public Consultation on BBC Trust governance of BBC World Service, via an operating licence (see Appendix [not reproduced here]).

It seems to us deeply ironic that, at a time when rising powers of BRIC countries are investing in international broadcasting and public diplomacy initiatives to project their strategic narratives onto a world stage, Britain is disinvesting in its best soft power tools – the BBCWS and the BC. It could be argued that international broadcasters like BBC World Service, Deutsch Welle and France 24 are remnants of a bygone era – colonial relics and Cold War propaganda tools that have no place in a media-saturated, multi-polar world. But that would be to ignore a rich history of cultural encounters and translation activities that enabled the BBC to forge its own a unique brand of cosmopolitanism that sits very well alongside a benign patriotism – building trust and empathy for the UK among audiences. What is often forgotten in political debates is that for the last 80 years, the World Service derived much of its intellectual, creative and diplomatic significance from the diasporic broadcasters who have been at the heart of the BBC's foreign language service. Refugee intellectuals, dissident poets and migrant artists have provided the essential skills and creative energies that power the BBC's international operations. Yet, they have remained largely absent from the public understanding of the World Service. Yet their diasporic

voices and the intimacy they create with audiences in imparting trusted information and news is critical to the WS's soft power.

We provide copious and ample evidence for these arguments in our book *Diasporas and Diplomacy: Cosmopolitan Contact Zones at the BBC World Service 1932-2012* (introduction provided as Word document). This book, based on a decade of research, makes visible the role played by successive waves of exiled, refugee, dissident and migrant intellectuals and writers who have helped to establish and renew the BBC's reputation as one of the world's most credible and trusted international broadcasters. We lose this soft power at our peril and once lost it will not be regained in a media saturated world where voices struggle to be heard. And the independent academic assessment and current evidence that we have at our disposal, despite positive reports from the WS, suggest that the WS is bleeding audiences in key markets and as a result losing trust and empathy that has a long and rich legacy.

Devastating funding cuts will impact over time but it will be too late then to restore lost trust. And even in flagship foreign language services like BBC Arabic, there is not adequate staff and resources (especially social media resources) to run an operation that can compete effectively in Middle East media markets. And yet for a relatively small sum of money, the WS delivers vital and enduring soft power benefits for the United Kingdom.

• In a digitally connected world, is soft power becoming more important? If so, why, and will this trend continue?

Both the BBC World Service and the British Council are investing digitally with the aim of engaging new audiences. For the World Service, the internet is as important as radio or television in key markets, and their purpose is to curate online audiences in a 'global conversation'. The British Council increasingly uses the internet to share the UK's 'great cultural assets' and so 'build trust' worldwide.

Real-time quantitative or 'big' data' on user activities present real opportunities as well as challenges in understanding how soft power functions in relation to the quality of individual cultural experiences and how such experiences are valued. But while the technologies may change the essential work of these organisations remains the same in communicating credible and independent news and providing opportunities for overseas groups to engage in meaningful ways with Britain and the world. Nevertheless, we will need to develop new methodological approaches to how trust and empathy are built online – such as the innovative and interdisciplinary evaluative research being conducted at the Open University in CReSC.

Understanding the changing cultural value of the WS and BC through the lens of digital interactions is valuable because they can be tracked and analysed, offering unprecedented insights into users' cultural experiences. Our research suggests that s 'global conversations' about news and world events facilitated by digital media demonstrate a level of trust which will be critical for both organisations to harness. However, a lot more investment in creating a social media strategy and means of assessment is required¹⁰⁶.

¹⁰⁶ See the following special issues of refereed academic journals:

'The BBC World Service and the South Asian Diaspora'. Special issue. *South Asian Diaspora*. 2010. 2/1. Eds. Gillespie, M., Pinkerton, A., Baumann, G., and Thiranagama, S.

The BBC World Service and the Greater Middle East: Comparisons, Contrasts, Conflicts. Special Issue. *Middle East Journal of Culture and Communication*. 2010. 3/2. Special issue: Eds. Sreberny, A., Gillespie, M. and Baumann, G.,

The BBC World Service, 1932-2007: Cultural Exchange and Public Diplomacy. Special Issue. *Historical Journal of Film, Radio and Television* 2008. 28/4. Eds. Gillespie, M., Baumann, G., and Webb, A.

Digital media change the nature of trust in/resulting from cultural organisations as they can no longer exercise the same levels of control over narratives or audiences in specific geographic territories¹⁰⁷. Culture and geography are unbound in the digital domain which makes communication across cultural boundaries and ‘soft power’ influence more difficult to create and assess. New digital projects also involve trade-offs between fundamental organisational values. Peer-to-peer communication relies on recommendation, openness, transparency and engaging the individual in immersive and atmospheric experiences or as current WS editorial strategy puts it, ‘Living the Story’. Traditional organisational values of impartiality, objectivity and distance are being challenged by new media. So this begs the question of what constitutes trust and empathy in digital domains? How are trust, empathy and intercultural understanding, reflective individuals and active global citizens nurtured via digital and social media? These are essential questions for anyone interested in soft power. Our current research contributes to understanding and researching cultural value in international organisations by combining quantitative and ‘big data’ analyses with culturally sensitive qualitative and ethnographic insights, bringing the bird’s eye view into dialogue with the snail’s eye perspective or in Weber’s terms, arriving at *verstehen* (understanding) by *begreifen* (grasping the bigger picture). We hope to report on this project in March 2014 just before the BBCWS comes under the licence fee.

The extent and use of the UK’s soft power resources

• What are the most important soft power assets that the UK possesses? Can we put a value on the UK’s soft power resources?

Without doubt the BBC World Service and the British Council are among the most important soft power assets of the UK and we can and should put both an economic and a cultural value on these organisations – which is precisely what our current research is doing (as outlined above).

How we ascribe value to the UK’s soft power resources is problematic, given the diversity of audience engagement with the narratives that are promoted. However, Soft power approaches are possibly most evident and measurable in the terrain of international development, where programs promoting rule of law, transitions to democracy or the observance of human rights speak to wider values that are espoused by the UK and are vigorously promoted. Often such programs are couched in terms of achieving a measurable behaviour change, which in turn is often expressed in terms of positive shifts in knowledge, attitudes and practices. Numerous DFID and FCO-funded BBC Media Action communication initiatives set clear objectives and define behaviour change targets (expressed as a % increase in positive attitudes, etc.) that are measurable. In a very direct way, development (though not couched in the language of soft power) provides an avenue for gleaning insights into how the value and impacts of soft power may be measurable¹⁰⁸.

• Are the Government doing enough to help the UK maximise the extent of, and benefit gained from, its soft power? What more – or less – should the Government do to encourage the generation and use of soft power?

¹⁰⁷ ‘BBC Arabic, Social Media and Citizen Production: An Experiment in Digital Democracy before the Arab Spring’. Theory, Culture and Society. Vol. 29. No 3. Gillespie, M. 2013.

The BBC World Service, Twitter and the London Olympics: The Challenges of Social Media. Gillespie, M., Proctor, R., O Loughlin, B., Shreim, N. Aslanyan A., Targhi, M., Aslan, B., Dennis, J and Voss, A. (Available on request from marie.gillespie@open.ac.uk)

¹⁰⁸ See our book *Drama for Development: Cultural Translation and Social Change*. Eds. Skuse, A., Gillespie, M., and Power, G. New Delhi: Sage India.

At a time of austerity it is sometimes difficult to look beyond economic imperatives. However, to assess the value of soft power in predominantly economic terms, as the British government is prone to do, reveals a deep misunderstanding about the nature, impact and efficacy of soft power activities. There is too much short-term thinking and quick fixes. There are too many damaging cuts. More strategic investment in the BBC World Service and British Council – especially in the sphere of arts and culture and in their digital and social media activities – is required. As they become digital organisations, BC and BBCWS are reconceiving their ways of working with international partners. They can deploy a wide range of soft power strategies that balance economic, strategic and cultural value – strategies that do not reduce culture to an instrument of policy.

• Are there spheres of influence in which the Government should do more to promote the UK? Are there spheres in which the Government should do less?

UK Higher Education - current restrictions on overseas students coming to UK to study need urgently to be revised.

Culture and the Arts –current disinvestment in arts education and funding as well as in the kinds of arts and cultural exchanges for which the British Council are well known - is seriously damaging the ability to foster a creative cosmopolitan Britain. Patriotic cosmopolitanism was amply demonstrated during the London Olympics 2012 but our research suggests that this stance of world openness and benign national pride was short lived. Government need to consider the long term effects of disinvestment in the arts and cultural sectors and find creative solutions to supporting non-commercial projects if UK soft power is to be maintained.

Can you give examples of where attempts to employ soft power have been unsuccessful, for instance because they delivered counter-productive results?

Soft power doesn't respond to rigid objectives. It works best when institutions do what they do well. It is not part of the main objective or purpose of the WS or the BC, it is a long term outcome and capability. While Soft Power can be used to exert influence and deliver short term advantages at critical moments and in an appropriate context (London Olympics 2012), in the long run, to maintain their soft power, institutions have to carry out their activities in ways that people recognise as credible and valuable over a long period of time.

What should the UK be aiming for in five years' time in its possession and deployment of soft power and influence?

Long term and stable investment in key agencies of soft power is most important. Investment in the evaluation of soft power and its cultural, diplomatic, and technological drivers and impact also needs more investment with a range of partners including academics. A sense that UK soft power actors have an understanding of their relationship to each other and more awareness of their mutual influence. This will require strategic oversight. Over the last decade attempts to build this capacity, especially in the Foreign and Commonwealth Office, have suffered successive funding cuts to the detriment of UK public diplomacy.

Soft power and diplomacy

• How best should the UK's foreign policy and approach to diplomacy respond to the new global communications environment, where social media have rapidly become prominent, where alternative media organisations (such as Al Jazeera)

have multiplied in power and reach, and where the grips of traditional elites on the flows of information in their countries have weakened?

Communication and information must be credible and consistent. BBCWS has always had to face competition from other organisations and respond to new initiatives to some extent (satellite broadcasting and now digital media) but to maintain soft power, the BBCWS must not and does not traduce its long established journalistic ethos by mimicking the likes of Al Jazeera in the same way that they didn't mimic Goebbels.

Digital media provide a range of new opportunities. Traditional elites are no longer a discrete group. There are many new players and influencers in social networks that we need to understand. To do this, however, requires a commitment to investment in appropriate evaluative methodologies. Sadly this is not being done. For example, the vastly reduced staffing in audience research at the BBCWS is badly hampering its ability to get to grips with the new digital opportunities. This is an area that will become increasingly important and one where the UK cannot afford to lose traction. If it does the UK's soft power capability will be seriously undermined.

• How can the UK promote its values abroad without being accused of cultural imperialism, propagandising, or hypocrisy?

It is the enactment of these values, for example the UK's demonstrable commitment to freedom of speech, human rights and the rule of law that provide the most credible means with which to promote them (e.g. fair play during the London Olympics, the pedagogic rigour and conduct of British Council exams, or the balanced reporting by BBCWS of the divisions in British society on the question of military intervention in Syria are exemplary of the values the UK wishes to promote and which are embedded in the activities of UK soft power agencies. In this context, how people relate to, understand, engage with and trust UK soft power actors can be as important as the information/news/message they are conveying. How agencies of soft power exude and emanate values provides a key to understanding how soft power works for policy makers.

Learning from others

• Are other countries, or non-state actors, performing better than the UK in maximising the extent of, and their benefits from, their soft power resources?

Depends of the measure of success one chooses. It is clear, however, that others, especially the BRIC countries are investing a great deal more money and effort into their international media and public diplomacy agencies than the United Kingdom.

• Are there any soft power approaches used by other countries that are particularly relevant to the UK, with its institutional mix of public sector bodies, private sector enterprises, and civil society organisations?

Investing in cultural programming to sit alongside the provision of news in international broadcasting has a long tradition in the BBCWS and delivered important soft power dividends in the past. For most of its life the BBCWS broadcast translations of great works of literature, showcased new musicians from all over the world, introduced overseas audiences to the arts in the UK. It is to the detriment to its soft power capability that this has more or less disappeared with arts and culture reported only as news with rare exceptions. The provision of educational resources overseas must be a crucial part of the UK's soft power strategy and the restrictions on international students studying in the UK should be lifted.

Aspects of soft power

What is your assessment of the role played by the English language, and English-language publications, in advancing the UK's influence abroad, bearing in mind that English is the working language of the Commonwealth, which embraces roughly a third of the world's population? What more can be done to leverage this?

UK Higher Education and the desire to learn the English Language go hand in hand and are vital to soft power.

This is the mission of the British Council. Making it more difficult more overseas students to come to the UK and study is a major way in which UK soft power is being undermined.

What is the long term impact of budgetary cuts to publicly funded bodies promoting British culture overseas?

They will either become reliant on other sources of commercial funding which will inevitably influence their objectives and may result in conflicts of interest for UK soft power, or cease to have influence across a broad spectrum of activities and lack capacity for reach and engagement with overseas publics.

September 2013

Jonathan Glennie, Overseas Development Institute, International Alert, Transparency International UK and Ian Birrell, Columnist and Foreign Correspondent– Oral evidence (QQ 126-151)

Jonathan Glennie, Overseas Development Institute, International Alert, Transparency International UK and Ian Birrell, Columnist and Foreign Correspondent– Oral evidence (QQ 126-151)

[Transcript to be found under Ian Birrell, Columnist and Foreign Correspondent](#)

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

1. SUMMARY

This is a cross-Whitehall response to the call for evidence from the House of Lords Committee on Soft Power and the UK's influence, coordinated at the request of the Committee by the Foreign & Commonwealth Office (FCO). Contributing departments include FCO, Cabinet Office, BIS, UKTI, MoD, DfID and Home Office. The introduction sets out how we see UK power as a combination of soft and hard power used by Government to influence and attract in support of Britain's interests. The case studies provide concrete evidence of this and reflect the themes and questions raised by the Committee.

2. INTRODUCTION: UK SMART POWER

I want the UK to look out, not in, and that is why for the first time in a decade UK foreign policy is on the advance. By 2015 we will have opened up twenty new diplomatic posts around the world, employed three hundred extra staff in the fastest growing regions of the world. We are having to make cuts in the UK, but this is something we are not cutting, we're expanding. We're now one of only three European countries to be represented in every single country in ASEAN and we have the largest diplomatic network in India of any developed nation. We are a global nation with global interests and a global reach, and if you think all of this is somehow an unashamed advert for the UK and UK business you're absolutely right. Everything I do is about making sure we're not just competing in that global race, but we're succeeding in it.

Prime Minister David Cameron's speech to the World Economic Forum in Davos, 24 January 2013

The UK has a wide range of assets that enable us to project influence overseas, often drawing on elements of both soft and hard power, in a 'smart power' approach. As Figure 1 shows, our soft power assets include the English language, heritage and culture – including the Monarchy – our science, engineering, technology and financial skills, our creativity and innovation, our historic universities, the arts, media and sport, as well as our citizens, our institutions, our strong democratic values and the sheer diversity of our society. While the Government cannot, and does not seek to, control all of these directly, it can support and harness their strengths, for instance through our international scholarships, aid programmes or collaboration with public diplomacy partners including the British Council. Our hard power includes the ability to impose sanctions or, as a last resort, to take military action.

We don't see these elements in isolation. The most widely accepted definition of soft power – 'the ability to affect others through the co-optive means of framing the agenda, persuading, and elicit positive attraction in order to obtain preferred outcomes' – can be read as a neat definition of diplomatic activities writ large. But these various soft and hard instruments are all part of the UK's foreign policy 'toolbox', to be drawn on as appropriate in the exercise of smart power, as illustrated in Figure 2. Our diplomacy needs to encompass the full range of

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

ways in which we can achieve influence in the world, recognising that the most powerful multipliers of UK soft power lie outside Government.

The UK is one of the few countries that can turn the dial on some of the greatest international challenges of our time. We do this through framing the agenda, building partnerships and responding in an agile way to challenges as well as opportunities. Moreover, we do so in a way that has real impact: both the Somalia Conferences and the Preventing Sexual Violence Initiative have demonstrated our ability to mobilise the international community to take action that makes a difference on the ground. The 2012 Olympic and Paralympic Games were extraordinarily successful examples of the projection of British soft power.

An outward-facing Britain is a safer and more prosperous one. That is why, for the first time in decades, British diplomacy is on the advance. We have now opened or upgraded 13 posts, increasing our presence in the emerging powers, and strengthened our existing Posts in Asia, Latin America and parts of Africa. We remain committed to our longstanding networks such as the Commonwealth. It is important that an outward facing UK is representative of the whole of the UK. The Government at Westminster co-operates with the Devolved Administrations in international activity as well as in the Administrations' pursuit of their international priorities from supporting their international offices to working together in the run up to events such as the 2014 Commonwealth Games in Glasgow.

We continue to explore new ways to inform and influence both our traditional partners and new audiences including civil society, businesses, pressure groups, UK citizens and diaspora communities. Our International Defence Engagement strategy is extending the reach of our defence diplomacy and our ability to exercise smart power. We are ambitious about promoting the UK's Prosperity. The GREAT campaign brings together our strongest soft power assets to promote UK trade, tourism inward investment and education. To date, it has generated £500m in economic benefit to the UK. The FCO/BIS Science & Innovation Network seeks to maximise the impact of the UK's strong capability in science and innovation. We are also extending our reach through digital diplomacy and increased engagement with diaspora communities.

Internally, we co-ordinate across-Whitehall through collective Government mechanisms which enable us to use our assets in an integrated way. Overseas, our missions are responsible for articulating the overarching vision to local audiences. Through the 'One HMG' agenda, the Government ensures departments across Whitehall are united in their aims and activities in the UK and overseas. This unified approach is evident in the range of activity related to the Emerging Powers, including: an increase in the number of Chevening Scholarships to target countries; the on-going development of English language consortia to support British English language providers to win contracts; and a tourism push that will enable VisitBritain to increase substantially the number of visitors to the UK by 2020.

Our approach is pragmatic. The case studies in this paper give a snapshot, rather than an exhaustive account, of the extent and use of the UK's smart power across our network and across the world. They demonstrate an agile, innovative approach to projecting Britain which celebrates our strengths and our partnerships. There is much to achieve, but we have shown time and again that the UK can set priorities, shape principles, lead by example and, most importantly, that we have the resources and political will to continue doing so.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

'I sometimes urge British diplomats to imagine that we had just woken up today to find our country had been planted in the world overnight, and that we'd been given 60 million industrious citizens, a language that is spoken throughout the world, a seat on the UN Security Council, membership of the European Union, NATO and the Commonwealth, a diplomatic network that is the envy of many nations, a nuclear deterrent, some of the finest Armed Forces in the world and one of the largest development programmes in the world, all of which we have in the United Kingdom. And on top of that, we had all the ingenuity, creativity and resilience that is such an ingrained part of our national character. We would rejoice in our good fortune, not be filled with gloom that others have strengths as well.'

Foreign Secretary William Hague's speech on rejecting decline and renewing Western diplomacy in the 21st century, 26 June 2013

Figure 1: Soft Power Assets

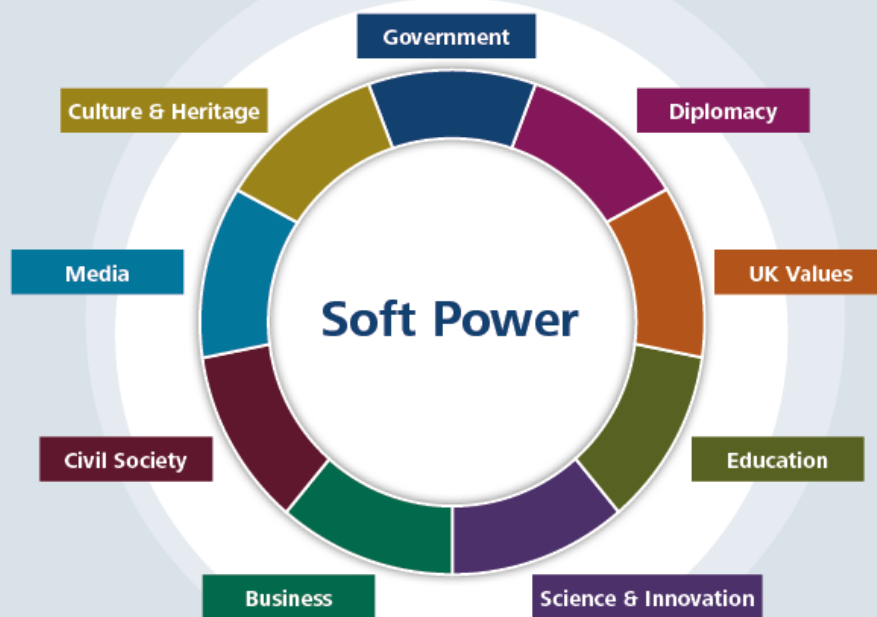
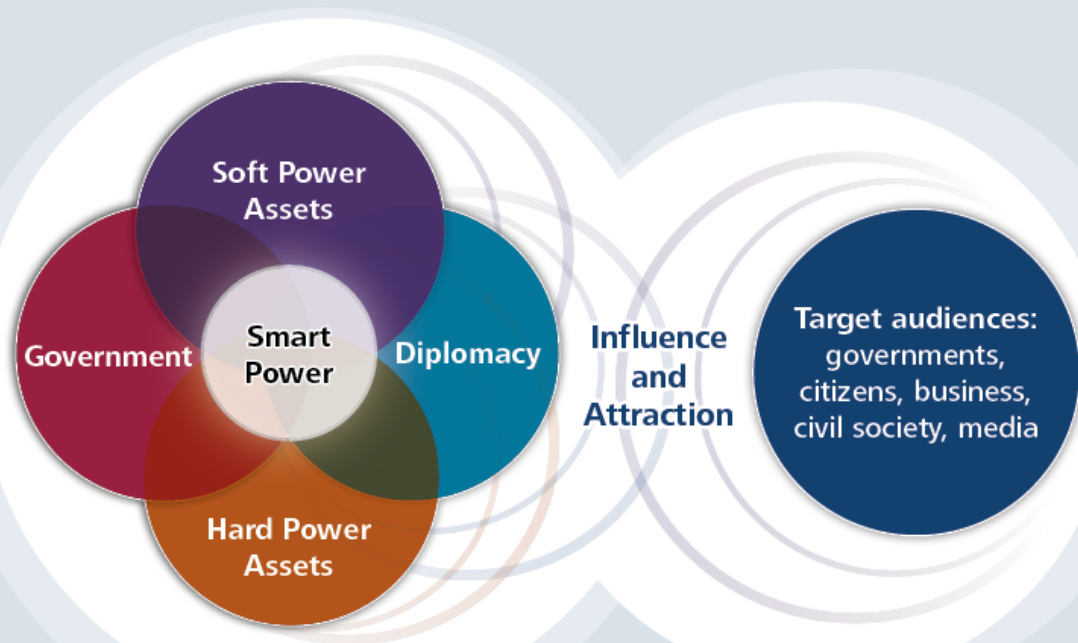


Figure 2: Smart Power In Action



CASE STUDIES: SOFT POWER IN ACTION

3. SOFT POWER AND DIPLOMACY: USING OUR NETWORKS

The UK lies at the centre of an increasingly networked world. Through our UN, EU and Commonwealth connections we are able to build powerful international coalitions to tackle injustice and the abuse of human rights, to promote the rule of law, freedom and democracy and to help build stability and prosperity around the world.

THE PREVENTING SEXUAL VIOLENCE INITIATIVE (FCO)

The Foreign Secretary has led an international campaign to end the culture of impunity for sexual violence in conflict. In May 2012 the Foreign Secretary, together with the Special Envoy of the UN High Commissioner for Refugees, Angelina Jolie, launched an initiative on Prevention of Sexual Violence in Conflict. The international campaign aims to end the culture of impunity for sexual violence crimes and replace it with one of deterrence by building national and international capacity to tackle sexual violence in conflict.

Working with the UN Special Representative for Sexual Violence, Zainab Bangura, and the Special Envoy, the UK has increased international focus on the eradication of sexual violence in conflict. We held a series of high profile events, including a projection of the PSVI campaign messages onto the Coliseum in Rome on International Women's Day, a screening of the film *In the Land of Blood and Honey* (directed by Angelina Jolie) in Tokyo, and participation in the 16 Days of Activism Against Gender Violence in the UK. The Foreign Secretary's visit to the Democratic Republic of Congo (DRC), with Angelina Jolie, generated extensive, positive UK and international media coverage – our FCO Storify page has the full digital story at <http://storify.com/foreignoffice/this-week-at-the-foreign-office-16/elements/f8fd39d6b6ca0f5d87c1f75e>.

The proactive use of our networks, including NGOs as well as the UK's strong convening power, has resulted in further commitments from our international partners. Under the UK's leadership in April 2013 the G8 Foreign Ministers adopted a historic Declaration on Preventing Sexual Violence declaring that rape and serious sexual violence in conflict are grave breaches of the Geneva Convention - a vital step towards eradicating safe havens for perpetrators. This international effort is accompanied by engagement with countries including Bosnia, DRC, Kosovo, Libya, Mali and Somalia, including joint funding with the UAE to support PSVI practical action in Somalia, to strengthen national capacity to investigate allegations of sexual violence and support survivors. On the Syrian borders alone UK experts have trained over 40 health care professionals and human rights defenders who are helping hundreds of Syrians including survivors of sexual violence.

We have amplified our messages through an extensive digital diplomacy campaign. During the UN Security Council Debate in June 2013, the hashtag #TimeToAct was used over six thousand times on Twitter, reaching an estimated five million accounts. We built on this in the run up to the UN General Assembly with extensive social media activity, including launching a Thunderclap campaign which reached an audience of nearly 2.5million people, to encourage countries to support the new Declaration of Commitment to end Sexual Violence in Conflict which was endorsed on 24 September 2013 in New York by 119 countries. The Declaration sets out practical and political commitments to end the use

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence of rape and sexual violence as a weapon of war. It is the clearest statement to date that the international community must and will confront these crimes.

THE ABOLITION OF THE DEATH PENALTY (FCO)

Our strong, persistent stance on UK values and work with external partners has helped us contribute to long-term progress on the abolition of the death penalty. International law does not forbid the use of the death penalty and states which retain the death penalty can be difficult to influence. Cooperating with external partners, including the Foreign Secretary's expert sub-group on the death penalty as well as in-country organisations - means they can influence the opinion of foreign legislators, legal office holders and the general public, in ways which direct intervention by HMG could not. For instance, in 2012-13 we funded and facilitated visits by members of the All Party Parliamentary Group on the Death Penalty to the United States of America, the Caribbean and countries in South East Asia to promote abolition and share UK experience.

Abolition is a long-term goal, but our approach is delivering results both at the UN and in individual countries. In 2012, 111 states (of 193 UN members) voted in favour of the biennial General Assembly resolution for a worldwide moratorium on the death penalty, compared with 109 in 2010, continuing a positive trend. Our projects have led to changes in different countries such as constitutional rulings reducing the number of offences for which the death penalty applies, alternative sentencing guidelines for prosecutors and judges, and trained capital defence lawyers.

THE ARMS TRADE TREATY (FCO)

Levering the UK's convening power over a seven year period, we led international efforts to secure an international Arms Trade Treaty (ATT), including through engagement with non-traditional allies, and the effective use of media. On 2 April, 2013 we succeeded as 154 states voted to adopt the ATT. Civil society, governments and industry described this as a historic moment.

The UK drew on its experience as an exporter to shape the ATT, listened to the developing world, to the priorities of the emerging powers and the needs of victims so that the treaty had broad appeal. We formed new alliances to facilitate discussion across traditional regional and political boundaries, aiming to influence and persuade. At the heart of this were the co-authors (Argentina, Australia, Costa Rica, Finland, Japan, Kenya and UK). As representatives of every region, we designed and championed the UN process. We used our global reach to influence others – from the EU to the African Union to the P5.

Our partnership with a coalition of NGOs (the Control Arms Coalition) enabled us to amplify the message that the ATT matters to people as well as governments. We campaigned from a shared platform and involved them in the work of our delegation. The NGOs created and maintained momentum behind the ATT and our work with businesses gave us the expertise to design a Treaty that could be implemented. Like the NGOs, they could influence countries that might not have listened to governments alone.

Twitter was an effective way to spread our message via the hashtag #armstreaty. The FCO ⁴⁵ Minister for the Middle East and North Africa, Alistair Burt, responded to a Twitter Q&A on the Arms Trade Treaty available on Storify at <http://storify.com/foreignoffice/alistair-burt->

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence
twitter-q-and-a-on-arms-trade-treaty. The Foreign Secretary's statement welcoming the adoption of the Treaty was circulated via Twitter and was re-tweeted 178 times.

UK PRESIDENCY OF THE G8 2013 - THE TRANSPARENCY REVOLUTION (CABINET OFFICE)

The UK is using its leadership of the G8 in 2013 to drive an ambitious push for greater transparency, freer trade and fairer taxes (the 3Ts). On 15 June, the UK hosted a high-profile 'Open for Growth' event to catalyse a world-wide movement towards greater Transparency. The 'Open for Growth' event occurred before the main G8 summit, and our use of soft power here – including making use of our diplomatic network particularly with Africa governments, and engaging with a wide range of business and NGOs – helped pave the way for the high-ambition outcomes at the G8 Summit in support of UK values and economic interests.

Developing countries, international organisations, business and civil society and G8 members participated at senior level, and launched ambitious individual and collective commitments on the 3Ts. The G8 digital platform provided live video streaming, accompanied with live tweeting from UK government accounts and the use of a unique hashtag for the event.

One of the event's themes was how to achieve greater transparency and accountability through the supply of government data and the use of digital technology. This resulted in commitments on open data which drive growth and innovation; release economic and social benefits; and promote new businesses and efficiencies. Mozilla launched a UK wide campaign to inspire a generation of young people to create, as well as use, digital technologies. The World Bank announced its 'Open and Collaborative Private Sector Initiative' that will use open data to accelerate support for economic growth. The Open Data Institute announced an Open Data Certificate which will rate or classify the quality of any dataset published on the internet/web and will be available to anyone to use.

OPEN GOVERNMENT PARTNERSHIP (DFID)

Building on the G8 summit, the UK is co-leading the Open Government Partnership (OGP) with the theme 'Transparency Drives Prosperity'. This global collaboration between governments and civil society is working to promote greater transparency, accountability and economic growth. It was established in September 2011 and now has 58 member countries.

To join, countries must meet its eligibility criteria covering budget transparency, asset declaration, freedom of information and citizen engagement. Member countries must deliver National Action Plans setting out commitments to extend and deepen open government, developed consultation with local civil society. The OGP has achieved a lot in a short time, most notably in securing agreement from a large range of countries to agree to important principles about open government.

The UK will host the next meeting in London in October 2013. OGP members will repledge their commitment to open government, announce new commitments and launch the OGP's Independent Reporting Mechanism. At the end of the Summit, the UK will hand over its lead co-chair role to Indonesia.

BUSINESS AND HUMAN RIGHTS (FCO)

The UK is working towards more liberal market environments internationally in which commerce can flourish, which are stable and sustainable over the long term and where transparency, good governance and the rule of law prevail. Through an ambitious new Business and Human Rights Action plan, launched by the Foreign and Business Secretaries on 4 September 2013, we will use our international reputation for high corporate standards and respect for human rights to help British companies succeed in a way that is consistent with our values.

The UK is the first country to set out guidance to companies on integrating human rights into their operations. The Action Plan builds on a range of soft power assets including the global reach of UK companies, the UK's vigorous pursuit of high corporate standards (exemplified by the Bribery Act 2010 and recent changes to the Companies Act) as well as the trust between HMG, companies and NGOs. This will support our efforts to strengthen and expand membership of the Voluntary Principles on Security and Human Rights, which provide guidance for extractive companies to ensure that their security operations respect human rights, during our Chairmanship of the Initiative in 2014. We will also be founder members of the multi-stakeholder voluntary global oversight mechanism for Private Security Companies this September.

Our promotion of business with respect for human rights will benefit UK prosperity. As the Business Secretary Vince Cable said at the launch 'A stronger economy depends on investors, employees and the wider public having trust and confidence in the way companies conduct themselves both at home and abroad.' Through the Action Plan, we will work towards the respect of human rights becoming a standard operating consideration of all UK companies.

HUMAN RIGHTS IN COLUMBIA (FCO)

UK lobbying over impunity in cases of violence against human rights defenders contributed to a decision to establish a new unit in the Colombian Prosecutor's Office to investigate these crimes more systematically. The British Embassy in Bogota supported a project with the Public Prosecutor's Office to establish regional working groups of human rights defenders and local civil servants to discuss threats and protection measures. Embassy officials have visited lawyers collectives, indigenous communities and victims groups to express support for their work. They have made representations on the cases of a number of Columbians in prison pending trial, including Liliany Obando, a trade unionist and human rights activist, who was released in March 2012.

THE COMMONWEALTH (FCO)

A strong Commonwealth is important to global prosperity and to the national interests of all its member states. The Commonwealth network, which has influence in nearly every international country grouping, is a key soft power vehicle for co-operation in a rapidly changing global landscape. Through the Commonwealth we are able to promote democratic values and good governance and, through mutual trade and investment, increase the prosperity of every Commonwealth member including the UK.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

We support the Commonwealth to use its non-governmental networks for advocacy, consensus building on global issues, in facilitating South-South, North-South cooperation and making the voices of small and vulnerable states heard. We also aim to modernise the Commonwealth's internal institutions and increase respect for its values to ensure the network endures and strengthens in influence. The new Commonwealth Charter is the most ambitious reform for more than a decade, and the culmination of a UK drive to support the Eminent Persons Group to identify necessary reforms and to build consensus within Commonwealth networks around change.

The Commonwealth Games (CWG) will be held in Glasgow from 23 July to 3 August 2014. The CWG is traditionally preceded by the Queen's Baton Relay (QBR), with a Baton passing through each of the 71 participating nations and territories before returning to Scotland for the Opening Ceremony. The QBR is a unique soft power opportunity to promote the CWG, Glasgow, Scotland and the wider UK in each CWG nation, appropriately themed to focus on issues such as trade, education or tourism, or promoting the values of Britain and the Commonwealth. This public diplomacy campaign is now being developed by the FCO, in conjunction with UKTI, the Scottish Government and other Scottish stakeholders.

You can see how the UK network celebrated Commonwealth Week 2013 on the FCOSTorify page at <http://storify.com/foreignoffice/celebrating-the-commonwealth>

FUTURE INTERNATIONAL LEADERS PROGRAMME (FCO)

The FCO's Future International Leaders Programme, launched in March 2013, promotes lasting partnerships with a new generation of talented people with the potential to become leaders with a direct impact on the UK's global interests. There will be four visits in 2013/14 and six per year from 2014/15. Each visit brings together ten Future Leaders from different countries including the Emerging Powers, members of the G8 and Australia and some high growth economies. Our two pilot visits in March and May 2013 brought 20 rising stars from 18 different countries to the UK. There will be 3 further visits this financial year. Each visit includes a senior UK participant. Visit programmes showcase diverse aspects of the UK and includes high level engagement with government, Parliament, media, business, education and civil society.

The benefits of the programme will emerge through building relationships over the long term. The first participants have already said they would be more likely to do business, or enter into partnerships, with the UK as a result of participation in the programme.

As the number of alumni grows, we will strengthen and nurture this network to build lasting relationships and a continued exchange of knowledge between participants and the UK.

UK DEFENCE DIPLOMACY: Western Balkans and the Middle East (MoD)

The Government launched the UK's International Defence Engagement Strategy (IDES) in February 2013. IDES is the means by which we use our defence assets and activities, short of combat operations, to achieve influence. We prioritise our effort on countries most important to our national interest and where we are most likely to achieve our security objectives. IDES aims to protect British citizens abroad, influence in support of UK national

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

interests, promote and protect UK prosperity, understand other nations' security objectives, build international capability, capacity and will and deter threats to UK interests.

The UK has developed engagement strategies with countries and regions where we have key security interests. The global network of over 117 UK Defence Attachés plays a critical role in delivering these strategies. For example, the UK is leading the 'Changing Perception' project in Serbia, a NATO-neutral Partner for Peace. Serbia is keen to play a role in international security by supporting EU and UN peacekeeping missions as a responsible international partner. The UK, through the Defence Attaché network, is working closely with the Serbian Government and military to help develop Serbia's role in fostering regional and wider stability and security, and help change for the positive, the public's negative mindset on working with NATO and within the framework of Euro-Atlantic cooperation.

Senior UK military personnel are also working with the Kosovo Government and security forces to help build a civilian-led military administration based on international law, doctrine and standards. This is having a positive impact on Kosovo's relationship with NATO, its approach to national and regional security issues and on the bilateral relationship between the UK and Kosovo. It is helping Kosovo develop into an effective Euro-Atlantic security supplier and partner in the region.

Ten years ago the Peace Support Operations Training Centre was established in Sarajevo; this was a British concept which drew on multi-national donor funding support. It is now regarded as one of the top five international training centres in the world, delivering high quality NATO and UN-accredited training, rooted in UK values and military ethos, to students across the Western Balkans. This has helped strengthen UK political and military influence in the region, created a more professional cadre of pro-NATO, pro-UK Bosnian officers and NCOs, improved cross-border relations as a result of joint training and enabled well trained Bosnian troops to share the burden of security duties in Helmand province.

In February 2011 the UK appointed a Senior Defence Advisor to the Middle East to represent the UK's defence and security interests in the region. The Defence Advisor has established military links with Libya, UAE, Qatar, Jordan and, more recently, with the Egyptian Army - the first such high-level engagement with the Egyptian military for many years. These links helped ensure successful engagement by the UK on Libya, alongside the UAE and Qatar and promote UK defence sales in the region, notably Typhoon aircraft.

ENGAGEMENT WITH INTERNATIONAL MEDIA (FCO)

The FCO's International Media Officers (IMOs) work to influence, inform and facilitate reporting by international media based in London resulting in a positive perspective of the UK. The FCO is the only government department that has dedicated IMOs.

The IMOs build strong relationships with the estimated 2000 London-based international correspondents, whose coverage of the UK will influence perceptions in their home countries. The media see the IMOs as facilitators - enabling journalists to reach a variety of sources, build up trust with contacts and develop a balanced view of the UK. These relationships are based on shared values of media freedom, democracy and freedom of expression. The IMOs share their expertise with other Government departments, arts and civic organisations and other who want to engage with London based international media.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

This engagement leads to a positive loop of visits, briefings, and interviews which results in increased and sustained positive coverage about the UK and our institutions. The IMOs promote a range of projects: the drive for prosperity; sporting opportunities created by the Olympics; regeneration in business parks and politics and peace in Northern Ireland.

PAKISTAN ELECTIONS (FCO)

The UK has a strong international reputation for its democratic values and well established electoral systems, which we have drawn upon to lobby for credible elections across the world, including in Pakistan. The elections in Pakistan on 11 May 2013 were a crucial milestone in the country's democratic history, the first time that power was democratically transferred between one civilian government and another, after a full term.

In advance of the elections, through co-ordinated cross-Government funding, the British High Commission in Islamabad helped the Election Commission develop a better electoral roll, linked to the national database. The roll now contains over 85 million registered voters, with 38 million unsubstantiated voters removed. We helped the Election Commission reach out to under-represented groups including minorities and women, produce codes of conduct, and train over 300,000 election officials. The UK funded Aawaz programme promoted and strengthened women's and marginalized groups' rights to active and safe participation in public events such as elections. We supplied international standard ballot boxes to allow more polling stations in remote areas. We helped Pakistani civil society observe every by-election and train over 43,000 domestic monitors to oversee these elections.

During the elections we also supported the process through an election observation mission. Consisting of 25 observers, it was one of the largest international observation teams and was deployed throughout Pakistan. We also supported the EU Election Observation Mission and part-funded the Commonwealth's election observers.

The elections were among the most credible in Pakistan's history, with a strong electoral register and the highest-ever number of women and new voters. Some 50 million people went to the ballot box. The part that the UK played in this, followed quickly by official visits to Pakistan by the Prime Minister, the first western head of state to do so after the election, the Development Secretary and Foreign Secretary, has created strong foundations on which to continue and build our engagement with the new Pakistan government.

DIASPORA ENGAGEMENT (PAKISTAN) (DFID)

The UK has one of the world's largest Pakistani diaspora communities, with around 1.2 million people. With strong family and business links in Pakistan, the diaspora has an important voice in both the UK and Pakistan. DFID engages with the diaspora, including journalists in a number of ways in order to increase awareness and understanding of UK aid to Pakistan and to identify areas for shared outreach activities to encourage support for development work.

The Secretary of State for International Development has prioritised the Department's work on community engagement, through for example, her recent attendance at a London diaspora event on minority rights in Pakistan. DFID regularly engage with community groups

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

including through the attendance of senior officials at diaspora outreach events in Birmingham and Manchester.

DFID is exploring further opportunities to increase diaspora support for development in Pakistan, for example through donations or volunteering and is considering how to broaden existing initiatives, such as 'UK Aid Match', to make funding more accessible to UK diaspora organisations involved in development work in Pakistan.

See more on DFID's Storify page at: <http://storify.com/DFID/pakistan-progress>

4. SOFT POWER AND HARD POWER: SMART POWER

Our ability to solve the complex problems in today's world and advance our values and interests will depend on how effective we are at using all our assets and partners both to coerce and to persuade.

IRAN (FCO)

Our dual track process of engagement and pressure on Iran combines the soft power of diplomacy and engagement with the hard power of economic sanctions in a smart power approach. Through this, we aim to achieve a negotiated settlement with Iran that addresses UK and international concerns about Iran's nuclear programme.

We work with the European External Action Service and the P5+1 (US, France, Russia, China, and Germany) to encourage Iranian engagement in meaningful talks. Through close cooperation with our partners and agreement on our collective aims and concerns we have maintained unity within the P5+1 and supported the process of engagement with Iran. While we are clear about the consequences of Iran not changing direction on their nuclear programme, we have also ensured that incentives are included in the P5+1 offer to Iran.

Our use of digital diplomacy helps to frame the public narrative and influence public opinion both in the UK and abroad in support of our Iran policies. Our 'UK for Iranians' website provides detailed and up-to-date information on the UK position. We release regular statements on social media sites in both English and Farsi to disseminate our views to a wide and varied audience and to encourage public debate.

The hard power element of our policy focuses on implementing restrictive measures against Iran, including an unprecedented round of oil and financial sanctions agreed by the EU in 2012. These sanctions have brought the Iranians back into negotiations and have helped slow the nuclear programme. Reaching agreement on these sanctions required a concerted diplomatic effort: working with the EU; ensuring co-ordination between the EU and the US; engaging likeminded countries and lobbying countries, in the region and beyond, to amplify the effect of these measures.

DEFENCE EDUCATION: UK Defence Academy (MoD)

The UK has a strong international reputation for education, training and advice on the global challenges around defence, security and resilience.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

Defence Education makes a relatively low cost contribution to International Defence Engagement, which offers a subtle, non-threatening and efficient way to gain access, insight and influence - contributing to HMG's overseas priorities including upstream conflict prevention and promoting the UK brand and values. It can also be used to promote important principles including: legitimate use of the military and other security organisations as a lever of civilian government; proportionate use of force; observance of human rights; and international humanitarian law. Our approach - how to think, not what to think - generates high demand for places on our courses, allowing us to influence future commanders and leaders in defence and wider government world-wide. For example, 1050 students from over 90 countries attended Defence Academy courses in 2011/12 and the Defence Academy's Managing Defence in the Wider Security Context, an 'expeditionary' course, now has 4300 cross-government alumni from 150 nationalities. International places at UK officer training academies at Dartmouth, Lympstone, Sandhurst and Cranwell continue to be oversubscribed and highly prized and, between them, can boast more than 30 alumni currently serving as Chiefs of Defence or Service Chiefs with civilian alumni having served as Heads of State or Ministers.

The Defence Academy works with academic partners to offer a broad range of Defence Education opportunities including: counter corruption, cyber security, equipment acquisition, languages and cultural awareness, through to bespoke capacity-building programmes for individual countries. The Academy has developed strong relationships with its counterpart institutions around the world and is providing specific expertise to both existing and new military colleges in a number of countries. Taken together, this approach allows the UK to influence in support of UK national interests; understand other nations' security objectives, capabilities and intent; and build international capability, capacity and will.

ANNUAL COUGAR DEPLOYMENT: Forward Deployment of the Response Force Task Group (MoD)

Under the annual COUGAR deployment, elements of the UK's high readiness Response Force Task Group (RFTG) undertake activities in support of regional security operations. In 2011, the RFTG undertook a series of demanding exercises throughout the Mediterranean, before events led to elements splitting off to support NATO operations to protect civilians in Libya.

They also undertook exercises with Saudi Arabia, Oman and the United Arab Emirates which reinforced the UK's commitment to, and strengthened the UK's relationship with, our partner countries in the Middle East. Military exercises between the Royal Navy and Albanian armed forces (a new NATO member) reinforced our commitment to the NATO alliance. The 'smartness' of the RFTG can be seen in its scalability and flexibility to move through the spectrum from soft to hard power when required. The COUGAR 11 deployment demonstrated that the UK retains the ability to contribute to current operations in Afghanistan whilst also preparing for contingent operations with a task group spread across several oceans. Ultimately, hard power was used as the RFTG, then joined by other capabilities including a Trafalgar Class attack submarine, participated in NATO operations alongside our international allies. This included commanding the first maritime strike missions by the Army's Apache attack helicopters launched from the sea against military targets ashore, and the use of Tomahawk land attack missiles.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

COUGAR 11 was followed in 2012 by COUGAR 12 which successfully demonstrated the UK's post-Olympics contingent maritime capability, helped develop the UK / France Combined Joint Expeditionary Force, and facilitated regional engagement and capacity building in a number of countries including Albania, Algeria and Malta. Elements of the RFTG participating in COUGAR 13 deployed mid August 2013 to the Mediterranean and East of Suez to undertake training, capacity building, engagement and reassurance with partner nations throughout the region, demonstrating the effectiveness of the UK's maritime capability.

UK VISA POLICY (Home Office)

The UK's visa policy aims to offer an internationally competitive visa system while also controlling immigration and the movement of goods to protect the UK's interests in support of both our prosperity and security objectives. The Home Secretary has made it clear that the UK should provide a high quality visa service and customer satisfaction for those who want to come here legally.

The UK Visa and Immigration Service has taken action to address concerns that the visa system is too slow or too difficult to use by providing greater choice to those requiring a visa. A priority visa service is now available in over forty countries around the world in which customers get their visa decision in three to five days. In India we have launched a same-day Super Priority visa service which means that customers for visit visas can apply in the morning and get their visa and passport back by the close of the working day.

We have launched a number of new services and improvements to meet the needs of key customer groups in China working with partners in and outside Government. In response to feedback from travel agents, we made a number of changes to the application process, including simplified revised application forms and document requirements. We also now offer extended opening hours in application centres and the option for customers to retain their passports during the application process to allow them to apply for a Schengen visa at the same time. We have worked closely with partners to review the existing visa service offering and to better promote it both in China and the UK, including promotional roadshows with leading tourism providers. Early figures show a significant increase in the overall number of visitors to the UK from China.

5. ASPECTS OF SOFT POWER: LEVERING OUR SOFT POWER ASSETS

CULTURE AND HERITAGE

The Government supports and promotes the UK's cultural and artistic heritage through the British Council and other arm's lengths bodies. Cultural exchanges and increased people to people links enable people from around the world to learn from and understand each others' history and culture.

CULTURAL EXCHANGE (DCMS)

One of the highlights of the London 2012 Cultural Olympiad was the *Globe to Globe* season. ⁴⁶ It brought together 37 international theatre companies to perform all Shakespeare's plays in 37 different languages including *Troilus and Cressida* in Maori, *The Tempest* in Bengali and

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

Richard III in Mandarin. UK excellence in digital technology is enabling theatres including the National Theatre and the Royal Opera House, museums and other cultural institutions to relay live performances to all points of the compass, from Shanghai to Santiago.

As well as traditional international festivals, we are also building bilateral relations through longer seasons and years of culture focused on individual countries. For 2013, we have the UK-Qatar Year of Culture; 2014 will see the UK-Russia Year of Culture and in 2015, culture will be at the heart of the UK Year in Mexico. *Transform* arts and creativity programme is a British Council initiative to strengthen bilateral relations, celebrate cultural and artistic dialogue between the UK and Brazil and bridge the four year period between the London and Rio Olympics.

UK NOW (DCMS)

In 2012, the British Council coordinated the *UK Now*, the largest ever festival of UK culture in China positioning the UK as China's cultural partner of choice. The Chinese Culture Minister, Cai Wu described it as having deepened Sino-British cultural exchanges and moved bilateral cultural relations to a higher level.

Over its nine month life *UK Now* provided a showcase for 776 UK artists to perform at 225 events in all art forms which were seen by over four million people in 166 venues in 29 cities across China. *UK Now* events had 1.46 billion media impressions, and the website had 710,828 unique visitors.

THE CYRUS CYLINDER (DCMS)

As custodians of the world's art and cultural heritage, UK museums and galleries demonstrate universal values; the importance of scholarship to cultural relations and help enhance the UK's international influence.

During a period of challenging UK-Iran bilateral relations, the British Museum loaned the 2600 year old Cyrus Cylinder to the National Museum in Tehran in 2010-11. The cylinder, which is often referred to as the first bill of human rights, is seen globally as a symbol of tolerance and respect for different people and faiths. The original loan of three months was extended allowing over half a million Iranians to visit the exhibition.

LITERARY FESTIVAL IN BURMA (FCO)

We aim to transform the UK's relationship with Burma through a public diplomacy campaign that focuses on soft power, complementing the hard power tools, including economic sanctions, we used during the years of Burma's military regime. UK values, including freedom of expression, are at the forefront of our efforts.

The support of the British Embassy and British Council in Rangoon for the inaugural Irrawaddy Literary Festival in January 2013, founded and directed by Jane Heyn, made a significant contribution to the success of the Festival. Aung San Suu Kyi was patron and several high profile international authors, including Vikram Seth and Jung Chang attended, as well as over one hundred of their Burmese counterparts and thousands of Burmese people.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

The Burmese and international media viewed the Festival, which promoted English language and culture as well as freedom of expression, as a watershed moment, after Burma's years of isolation. The Financial Times commented that it was a 'potent sign of change in a country edging towards democracy'. The Daily Mail reported that 'authors hailed the festival as a breakthrough for the country's creativity, after years lost to censorship'. Burmese Ministers have since said that the Festival had a significant impact in communicating a new era of freedom of speech. A second Festival is planned for 2014.

ROYAL HERITAGE (FCO)

The British monarchy is a unique soft power and diplomatic asset, embodying UK ideals of peace, friendship, freedom and tolerance. HM The Queen has made over 260 official visits to over 116 different countries during her reign as an unsurpassed Ambassador for the UK overseas and Head of the Commonwealth. She has promoted reconciliation on her visits to West Germany in 1965 and Japan in 1975; given encouragement to nations after profound change, such as her visit to Russia in 1994 and to South Africa in 1995. More recently, her historic State Visit to the Republic of Ireland in 2011, the first British Head of State to visit, was an opportunity to celebrate peace and reconciliation as well as the strong UK-Ireland relationship.

The Royal Wedding in 2011 and the Diamond Jubilee celebrations in 2012 attracted thousands of visitors to the UK and showed the best of the UK's heritage, culture and values to millions around the world, generating renewed respect and admiration for the Monarchy and strengthening the bonds of trust and friendship between the UK and our international partners. Events to mark the Diamond Jubilee weekend at over 100 overseas Posts attracted 50,000 guests and resulted in media coverage reaching over 1 billion individuals.

EDUCATION

Education is the second most valuable global sector after healthcare. UK education exports were worth £6.6bn in 2011, three quarters of which were generated by international students studying in the UK. The Government's education strategy aims to help the whole UK education sector, which already enjoys a strong reputation overseas, respond to the growing international demand for secondary and higher education to contribute both to UK economic growth and to building global relationships and trust through educational partnerships.

HMG SCHOLARSHIPS (FCO / DFID)

Our scholarships programmes draw on UK expertise in education to help us build a strong, international network of friends of the UK who will rise to increasingly influential positions over the years. The Chevening programme (FCO), is offered to 118 countries, the Marshall (FCO) to US citizens and the Commonwealth (DFID) to all Commonwealth countries. They are key features of British soft power diplomacy and give scholars both a first class academic qualification and exposure to British values, culture and diversity.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

Proactive engagement with former scholars and fellows builds lasting positive relationships that can support the achievement of HMG's objectives.

Chevening has built an influential alumni network of 42,000 scholars with large alumni communities in China, Egypt, India, Indonesia, Malaysia, Mexico, Russia and South Korea. We intend to expand significantly the Chevening programme, particularly in the emerging powers.

In an increasingly challenging bilateral environment the British Embassy in Buenos Aires places a high value on its network of Chevening alumni and has developed an impressive programme of engagement linking Embassy staff, alumni and other stakeholders. Many alumni have held senior positions including a provincial governor, the Economy Minister for Buenos Aires province, a National Congressional representative and a former National Economy Minister. Continued engagement with alumni therefore supports our access to decision makers and policy advice in a complex political context. Our ongoing investment in the scheme is a public commitment to strengthening links between people of both countries.

The 1,500 Marshall alumni are a valuable network who support the UK's political and business outreach in the US and help British officials in the US secure high-level access to senior US political and business leaders.

Commonwealth Scholarships are part of the wider Commonwealth Scholarship and Fellowship Plan (CSFP), under which governments offer scholarships to citizens of other Commonwealth countries. It is one of the best recognised activities of the Commonwealth. There are over 800 UK Commonwealth Scholarships awarded annually and over 17,000 members in an active alumni network. These include Heads of State, Prime Ministers and Cabinet Ministers, Ambassadors and High Commissioners, Central Bank Governors and Deputies and senior judicial figures. Other prominent alumni include the former Solicitor-General of the UK and the current Governor of the Bank of England.

EDUCATION AND THE ENGLISH LANGUAGE IN KAZAKHSTAN (FCO)

There are many opportunities for the UK to engage with Kazakhstan through our soft power assets, particularly education and the English language. The Kazakhstani government's decision to shift the medium of education from Russian to English and their hosting of the 2017 World Expo and the 2017 Student Winter Games means, Kazakhstan says, that 30 000 more English speakers will be needed for each event. The Joint Statement on a Strategic Partnership between the UK and Kazakhstan signed during the Prime Minister's visit from 30 June to 1 July 2013 includes a commitment to forging stronger educational and cultural links between the two countries building on the UK's popularity as the principle western destination for Kazakhstani students going abroad in 2012.

The BIS/UK Education Unit works with the British Embassy in Astana to support UK Education providers as they respond to business opportunities such as English Language Teaching; professional development; curricula design; publishing; education-standards; innovative equipment and technology. This had a swift, positive impact as a UK provider won a contract to establish schools of engineering in a network of new vocational colleges being set up across the country. This work is backed up by the Education is GREAT campaign which promotes UK education in Kazakhstan whilst working with the Home Office to allay

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

the concerns of genuine students about the visa process. New initiatives announced after the Prime Minister's visit included support for links between young researchers in both countries, and a British Council MOU with the national teacher training agency to train hundreds of Kazakhstani teachers in the UK each year. The British Council is promoting the use of digital technologies, including an SMS 'English Phrase of the Day' subscription model with 50,000 subscribers.

The Embassy also engages with Kazakhs who have previously studied in the UK, including through the British Alumni Club of Kazakhstan, increasing links between UK businesses and future political and commercial leaders in Kazakhstan. Partnerships with institutions such as the Centre for International Programmes, National Science Committee, the national TVET agency, Kasipkor Holding and the National University of the Arts have all been founded or grown on the basis of relationships with UK alumni.

UK-INDONESIA DIKTI SCHOLARSHIPS (BIS)

Capitalising on the UK's excellence in education, the UK-Indonesia DIKTI programme is strengthening UK-Indonesia relations and positioning the UK as Indonesia's partner of choice in education. It is also promoting educational cooperation through training of up to 750 permanent or prospective faculty members from Indonesian universities and administrative staff employed by DIKTI or Indonesian state universities.

UK Minister for Universities and Science David Willetts and Indonesia's Education Minister Mohammad Nuh signed a joint statement on enhanced co-operation on education during the Prime Minister's visit to Indonesia in April 2012. During the Indonesian President's State Visit to UK in October 2012, the Ministers signed a framework celebrating nine new long-term partnerships in higher education and committing to exploring potential skills and vocational education collaboration.

One of the nine partnerships, the UK-Indonesia DIKTI scholarship programme, was officially launched on 1 June 2013 and will run for 5 years. To date, 77 UK Higher Education Institutions, across all academic disciplines and research areas have signed up. Up to 150 Indonesian students will study for PhDs at UK universities each year, with the first students scheduled to arrive in January 2014. The Indonesian Government will cover the first three years of study, study with UK universities covering fourth year costs.

BUSINESS, CREATIVITY & ENTERPRISE

'We possess the skills, creativity and and boldness of spirit... to continue that long history of innovation which has shaped Britain today... We have the largest creative industry in Europe... Our advanced materials sector is at the forefront of developments in global manufacturing... And we have the world's largest foreign exchange market, its biggest insurance market and one of the largest centres in the world for fund management and international legal services.'¹⁰⁹

¹⁰⁹ Foreign Secretary William Hague's British American Business Speech, 13 September 2013.
<https://www.gov.uk/government/speeches/british-american-business-speech>

UK INDUSTRIAL STRATEGY (FCO)

In 2012 the Government launched a new Industrial Strategy to strengthen the competitiveness of key UK industrial sectors in a rapidly expanding and increasingly competitive global market place and to build new international business partnerships, in particular with the emerging economies. The Strategy is built around four core principles: long-term, in partnership with business, whole of Government approach and developing confidence to invest and 11 key sectors: life sciences; aerospace; nuclear; oil and gas; the information economy; construction; professional and business services, automotive; age-tech; education and offshore wind energy.

COMMERCIAL DIPLOMACY (FCO)

Commercial diplomacy is central to the Government's prosperity agenda, bringing together the Government's international activity in support of the UK economy, aligning UK foreign policy goals with the Government's overall objective of returning the UK to strong economic growth and using diplomacy to help create and promote the conditions for that growth through trade and investment.

The FCO, BIS and UKTI work in partnership to help create and promote the conditions for growth through international trade and investment. Together they are able to support business by: providing high level political and economic analysis and access to decision-makers around the world; identifying new business opportunities; sharing intelligence and managing risk through expert knowledge of the local political and economic environment; using inward and outward high level visits to lobby on behalf of UK interests and trade opportunities; supporting UK trade missions around the world; and coordinating government relationships with key businesses to help remove barriers to international trade and investment.

The British Embassy Abu Dhabi was instrumental in Shell winning a contract in the UAE worth £6bn for the development of the Bab sour gas field. UKTI and Political Teams coordinated closely with Shell to ensure that not only was the deal commercially right, but that it stacked up politically and that the right impact was made with key decision takers. The strong bid was supported by high level lobbying over a sustained period from FCO Ministers, as well as Lord Marland, Greg Barker (DECC) and Alan Duncan (DFID).

Carillion plc has been awarded a major contract to construct the first phase of the re-development of Battersea Power Station. British High Commission Kuala Lumpur, maximising on opportunities such as the Global Investment Conference on the eve of the London Olympics, the Royal Visit, and visits by the Prime Minister and Lord Marland, have helped cultivate a close relationship with SP Setia, part of the Malaysian Consortium that purchased Battersea Power Station, an investment worth up to £8bn. This enabled Carillion, who were introduced in November by UKTI Kuala Lumpur, to make a successful pitch to SP Setia's top management team.

The Prime Minister, Foreign Secretary and Business Secretary supported a sustained campaign coordinated by DfT, FCO, UKTI and the BE Moscow, resulting in easyJet launching its inaugural London-Moscow service. High-quality policy and legal advice, together with the FCO's ability to identify lobbying opportunities, understand local institutional and regulatory

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

arrangements, and satisfy the demands of protocol, was crucial to Russia giving the go-ahead. easyJet's CEO, Carolyn McCall hailed it a 'historic day' for the company, which has also launched a Moscow- Manchester service allowing a further 60,000 passengers a year take advantage of the first-ever direct scheduled link between the two cities, a massive boost to UK-Russia business.

In Cameroon UK companies have been increasingly successful in either increasing market share (Guinness, Standard Chartered Bank) or winning new contracts. In the energy sector, and with support for over a year from BHC Yaoundé Joule Africa signed an agreement with the Cameroon Government for a \$1.2 bn 600 MW dam that will add 40% to domestic power and enable potential for power exports to Nigeria. This is outstanding progress for a project of this size in Central Africa and is a both testament to the dynamism and commitment of this UK company and high level support from the High Commission.

BAE Systems signed a £2.5bn contract with the Omani Ministry of Defence to supply 12 Typhoon and 8 Hawk aircraft. The Prime Minister visited Muscat to mark the occasion. Government to Government contacts were a critical part of the campaign. British Embassy Muscat and DSO coordinated closely with the company over three years to deliver a deal that will safeguard 6,000 UK jobs, and may open the door to further, even larger, contracts for Typhoon.

Intervention by Lord Green during his visit to Russia in November and lobbying by British Embassy Moscow have strengthened ties between the British alcohol industry and the Russian Federal Alcohol Regulation service. As a result a licence was issued to Maxxium – an Edrington Group-Jim Beam joint venture - for extension of a warehouse to accommodate fast growth in business. Delay in securing a licence had been costing the company \$1m in lost revenue and preventing it from expanding in the market.

The FCO and UKTI healthcare teams have worked hand-in-hand to support British Telecom enter the healthcare market in China. In April, BT signed a consultancy contract on hospital IT in Ningxia province that could be worth around £30m. BT credited the Embassy FCO and UKTI healthcare team for building the vital local contacts and market knowledge to help secure this deal. We now have a new Prosperity project where BT will partner with the Chinese government to help China integrate their health systems through innovative IT solutions. Not only is this fulfilling a key demand of China's health reforms, but we hope this project will also provide valuable new contacts and market intelligence to help BT secure further contracts.

THE GREAT CAMPAIGN (FCO)

The GREAT Britain campaign is the Government's most ambitious international marketing effort to date. With support from some of Britain's strongest soft power assets, GREAT showcases British excellence to encourage the world to visit, study and do business with the UK. The campaign enables our diplomatic network, as well as UKTI trade missions, VisitBritain and the British Council to promote the UK through a recognisable brand, advance our prosperity interests and support the London 2012 legacy. The campaign has had a significant impact internationally and is delivering a strong and measurable return on its first year investment of £37 million. An independent evaluation of GREAT said that

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

campaign has generated around £550m worth of economic benefits to the British economy so far.

GREAT resonates at posts and supports their prosperity and public diplomacy work. For instance, GREAT has led to UK-South Africa partnerships in youth development, education and culture through the British Council's [Connect ZA](#) programme of cultural co-operation in 2014. Cape Town's 2013 GREAT week in Cape Town included an Innovation is GREAT Supersonic Car Driving Experience to showcase the UK Bloodhound, and generated at least £80 000 in advertising value equivalent. In Colombia, this summer's tour of a GREAT branded London bus to seven priority cities generated more than £150,000 in advertising value equivalent and promoted British business interests including the new UK Colombia Trade entity and British infrastructure expertise in Barranquilla. Visit Britain, in partnership with Sony Pictures, ran a 'Bond is GREAT' campaign to use the universal appeal of James Bond to boost tourism to the UK from key markets, resulting in over £3.5million worth of exposure for the GREAT Britain You're Invited brand. As well as the support of the bond franchise, GREAT has attracted the active endorsement of over 150 world-renowned British companies and celebrities, including McLaren, Jaguar LandRover and British Airways, as well as David and Victoria Beckham, Sir Richard Branson and Sir Paul Smith.

The Government has committed a further £30m to continue GREAT into 2014/15. This will drive the campaign forward in key markets where GREAT is performing well, particularly China, India, US and Brazil. Tourism activity will be extended to the Gulf, while trade and investment-focused activity will also target new emerging markets where GREAT can help the UK gain a competitive advantage, including Russia, South Korea, Mexico, Turkey, Indonesia, Poland, Hungary, Czech Republic, Slovakia and Romania. Target return on investment for 2013/14 is anticipated to be 20:1.

SCIENCE & INNOVATION

The UK is a world leader in science and innovation, in space technology, aerospace and automotive engineering and one of the world's top publishers of scientific papers.

UK ADVICE TO JAPAN AFTER FUKUSHIMA DISASTER (FCO / BIS)

Following the Great East Japanese Earthquake and Tsunami in March 2011, the UK used its scientific expertise to advise the Japanese Government on action based on clear scientific evidence, resulting in stronger collaboration between the UK and Japan on science related issues.

After the earthquake, the UK Government Chief Scientific Advisor (GCSA) swiftly gathered world-leading experts who determined that the evacuation of Tokyo was unnecessary. The UK was the first country to recommend that travel to Tokyo could resume and that business should return to normal. This third party endorsement of the Japanese Government's advice, spread through social media, influenced the Japanese people's perceptions of the situation and helped Japanese business stabilise and improved their manufacturing output.

This swift, reasoned response and the impact of the communications provided by the GCSA was extremely well received in Japan, is still remembered, and enables us to speak with

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

authority on other science-related issues. This has opened the door to opportunities for UK plc to present our technologies, to the Toykyo Electric Power Company other Japanese utility companies, the sharing of which is being cemented by framework agreements between companies. It has also laid the foundations for future research collaboration between the UK and Japan on nuclear safety and investment in UK-based research by Japanese companies.

UK-SOUTH EAST ASIA INNOVATION FORUM (FCO / BIS)

Through our Science and Innovation Network in Southeast Asia (SIN SE Asia), we raised awareness of UK strengths in innovation, design and technology so that the UK could benefit from the region's shift towards more knowledge-based economies.

With the British Council, SIN SE Asia arranged a high profile event, opened by Lord Green and his Singaporean counterpart, on innovation, design and technology as part of the UK Southeast Asia Knowledge Partnership. The emphasis was on creativity, collaboration, the importance of small businesses and the role of UK and Singapore as hubs in their respective networks. The event brought together UK and regional participants including the Technology Strategy Board, McLaren Applied Technologies and Wing Commander Andy Green (holder of the World Land Speed Record and a member of the Bloodhound project looking to beat it), the Managing Director of Singapore's Agency for Science Technology and Research, the CEO of their National Research Foundation and a Deputy Minister from Indonesia's Ministry of Research and Technology.

GREAT branding helped achieve significant impact with good feedback from participants across the programme. A joint op-ed by the ministers, together with an article on Andy Green in Singapore's main newspaper, a BBC television interview and blog posts helped us to obtain extensive Singapore and regional impact.

A partnership between McLaren and IO on data centres in Singapore was announced during the forum. There was also good take up of the education packs produced by Bare Conductive, one of the small UK businesses featured in the forum.

Exhibition boards on UK innovation and the Bloodhound Driving Experience simulator are providing a helpful resource for sustained engagement. We are following up on key opportunities for collaboration, particularly with TSB's catapult centres and the 'Eight Great Technologies'.

QUEEN ELIZABETH ENGINEERING PRIZE (FCO / BIS)

Using our network of Science and Innovation Network (SIN) teams, we supported the November 2011 launch of the £1m Queen Elizabeth Prize (QEP) for Engineering. The award aims to recognise and celebrate outstanding advances in engineering that have changed the world and increase awareness of UK leadership and innovation in the fields of science and engineering.

SIN teams supported international outreach by the Royal Academy of Engineering (RAEng) through: raising awareness with key local stakeholders; formation of a panel of high-calibre international judges; and by hosting a series of high-profile launch and celebratory events at Posts around the world. At a launch event in France, Rolls Royce Director R&D Rik Parker

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

spoke about the importance of industrial engineering and international cooperation to a high-level audience from industry, business, academia and CAC40 companies. UKTI and Rolls Royce representatives also used the launch to explore business opportunities with key engineering companies and buyers in France.

Following the announcement that Louis Pouzin, a Frenchman, was one of the five winners of the Prize, with GSK and the National Council of Engineers and Scientists of France, SIN France organised a reception to focus on the next generation of engineers, attended by many young engineers and distinguished French scientists, including Claudie Haigneré, France's first female astronaut. Sir Tim Berners-Lee (the UK winner) sent a video message highlighting the importance of engineering and of engaging future generations. The award, which was recognised as promoting and celebrating engineering as a career generated strong media coverage in France, including an article in the Economist.

AID AND PEACEBUILDING

The UK is one of the world's leading nations in human rights and development and committed, through our aid programme, to improving the condition of humanity.

O.7% COMMITMENT (DFID)

The UK's commitment to spend 0.7% of GNI on aid from 2013 is leading the way, encouraging others to fulfil their commitments and has been widely praised. At the MDG Summit in New York in September 2010, UN Secretary General Ban Ki Moon praised the UK's decision and urged others to meet their commitments, arguing that "we must not balance the books on the backs of the poor". The UK's reputation as a major provider of very effective international cooperation has also led developing countries to encourage others to use it as a model. Afghanistan's Minister of Public Health recently wrote to his Indian counterpart to request that India collaborate with the UK on health issues in Afghanistan, modelled on the UK-India bilateral programme. Ethiopia has also expressed an interest in working collectively with India and the UK, particularly in women's empowerment.

UK HUMANITARIAN AID (DFID)

The UK's tradition of providing high quality humanitarian aid reflects the strong commitment of the British people to helping those suffering from disasters. As a result, the UK is one of the most important global providers of humanitarian aid and has an enviable reputation for the speed, scale and effectiveness of our response to emergencies. Much of our response is provided through British organisations with specialist skills but, unless there are specific security concerns, all UK-funded assistance is recognisable by the Union Flag logo introduced in 2012 which raises awareness of the UK's contribution.

Here are examples of UK aid branding in use in humanitarian emergencies:



DFID provided basic temporary but reusable shelter materials in response to the Pakistan floods in Sindh.



In November 2012, in response to the drought that left some parts of Malawi facing a serious food crisis, the World Food Programme used UK funds to transport sacks of maize and peas across the country, and cobranded the sacks accordingly.

Photo: Gregory Barrow/WFP

An example of UK aid branding in a DFID-funded UN Farming and Agriculture Organisation (FAO) development programme in Somalia:



A project that makes use of waste livestock bones, and trains Somali young women to make them into soap and sell them, creating jobs and income.

USING AID TO INFLUENCE DEVELOPING COUNTRY GOVERNMENTS (DFID)

A stable and predictable development partnership with developing countries is important in delivering results and supporting countries to achieve their priorities. However, in certain circumstances, the UK can also be influential by withholding or withdrawing aid in order to encourage changes in developing country government behaviours. In Uganda, when evidence of corruption was uncovered involving the aid contributions of the UK and other countries, we suspended budget support, as did nine other budget support donors, and suspended other financial aid to government. This collective effort, in which the UK played a leading role, was influential in helping to drive forward a range of public financial management reforms by the Ugandan Government.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

All donors retained the suspension for eight months, whilst they worked closely with the Government to develop a comprehensive plan to tackle corruption and restore confidence in the Government's fiduciary systems. No donor has returned to General Budget Support and high level dialogue continues on a regular basis with the Government on corruption

concerns Safeguarding against corruption – and taking action against it if uncovered - is a natural part of DFID's application of due diligence in its use of public funds.

MULTILATERAL AID REVIEW (DFID)

The UK's leadership in addressing multilateral effectiveness has significantly influenced approaches across the international community and increased the pressure on multilateral agencies to reform. The Multilateral Aid Review (MAR) was published by the UK Government in March 2011. It provided, for the first time, a comprehensive and systematic assessment of the multilateral agencies funded by the Department for International Development. Not only was this the first time that such an assessment had been published, it also had an important impact on funding decisions. The MAR led to an increase in interest in multilateral effectiveness among other donors. New assessments have been carried out by a range of Governments including Australia, Netherlands, Denmark, and Sweden, and assessments are planned or in progress in other countries too.

TRANSPARENCY OF DEVELOPMENT ASSISTANCE (DFID)

The UK has led efforts to increase the transparency of its development assistance and support our partners to do the same. Making information about aid spending easier to access, understand and use means that taxpayers in donor countries and citizens in partner countries can more easily hold governments to account for using funds wisely. It also helps reduce waste and opportunities for fraud and corruption.

The Government introduced an Aid Transparency Guarantee (ATG) in June 2010. In 2011, DFID published financial information and project documents for all new DFID projects to show why we have chosen a particular project; how it will be implemented; how much it will cost; what results we expect; and ultimately what has actually been achieved.

DFID has led the International Aid Transparency Initiative (IATI) – a multi-stakeholder initiative involving donors, partner countries, civil society organisations and other providers of development cooperation – which has developed and agreed a common, international open data standard for publishing detailed information on development flows. The standard is designed to make data easier for users to find, compare and re-use. Membership is now 37 major donors and 22 endorsing partner countries. Over 175 organisations, including many UK and international civil society organisations are now using the standard. The Government has also built a new open data platform for development assistance, the 'Development Tracker' (<http://devtracker.dfid.gov.uk>), which uses IATI standard open data to present timely and detailed information on UK programmes and expenditure and will be available for others to use. In October 2012, DFID was ranked first (out of 72 organisations) in the 2012 Publish What You Fund Aid Transparency Index.

SOMALIA (FCO)

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

Helping to bring peace and stability to Somalia after over twenty years of conflict is a top UK foreign policy priority. Although the gains are fragile, there has been real progress in Somalia in recent months, and the UK has played a key role in supporting this.

On 7 May 2013 the UK co-hosted the second international Somalia Conference in London in partnership with the Federal Government of Somalia. The goal of the Conference was to secure international endorsement and financial support for the Federal Government's plans to improve security, increase access to justice, reduce poverty, strengthen public financial management and support economic recovery.

The UK was able to convene high-level representatives due to the leading role we have taken on Somalia through our soft power influencing. For instance: we were the first EU country to reopen an Embassy in Mogadishu (in April 2013); we have led Somalia related work in the UN and EU; under the cross-government (FCO/DfID/MoD) Building Stability Overseas Strategy we have contributed towards the internationally shared objective of a stable, democratic Somali state, including through bilateral financial and technical support to the Africa Union Mission to Somalia (AMISOM), the DfID Development Programme, and the humanitarian crisis response.

The Conference put Somalia under the spotlight. Although it was not a pledging conference, international partners used the opportunity to pledge nearly \$350m in new financial support to Somalia. As a result, the Federal Government now has the plans, resources and international support it needs to make a difference to the lives of the people of Somalia, and is making progress on developing the cornerstones of a secure state.

ARAB PARTNERSHIP (FCO / DfID)

The joint FCO-DFID Arab Partnership (AP), set up in 2011, leads HMG work to support political and economic reform in the Middle East and North Africa (MENA) with a particular focus on Egypt, Tunisia, Libya, Morocco, Jordan and Algeria. The Arab Partnership puts UK values as well as shared interests at the centre of our relationship with the MENA region. Whilst we are clear about UK values, including democracy, we don't seek to dictate solutions. Instead, we partner with a wide range of actors on the ground who are leading reform, including parliamentarians, the judiciary, media and civil society organisations. We seek to deliver through long-term engagement – including through our £110m Arab Partnership Fund (2011-2015), and cooperation with partners in the EU and G8. The Arab Partnership Fund is divided into a £40 million Arab Partnership Participation Fund supporting political participation, public voice and good governance, and a £70 million Arab Partnership Economic Facility supporting economic reform. Throughout our work, we focus in particular on engaging the youth and women.

Our funding for political reform has strengthened democratic institutions, particularly in areas where UK soft power is strong, such as the media and parliament. In Tunisia, we supported Electoral Reform International Service (ERIS) to raise levels of participation amongst first-time voters. Close to 23,000 students participated in extra-curricular training on the electoral process, democratic principles, voter awareness and citizenship. In Morocco, 1040 participants representing 270 NGOs and 217 local councillors participated in the compilation of recommendations on the upcoming organic law on local and regional

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence authorities. The Independent Commission for Aid and Impact (ICAI) recently reviewed the APPF, noting it as a swift and strategic approach to Arab Spring.

SECURITY SECTOR REFORM: International Military Advisory & Training Team (MoD)

Sierra Leone's civil war, which began in 1991, ended in January 2002 after a decisive military intervention by the UK in 2000. From the early stages of its engagement the UK provided a British Military Advisory & Training Team (BMATT) to help structure the Sierra Leone Ministry of Defence and Armed Forces. The BMATT was transformed into an International Military Advisory & Training Team (IMATT) in November 2000 with support from a number of Commonwealth countries, including Canada as the second largest contributor.

By 2002 IMATT had 160 personnel, filling senior executive and command appointments in both the Ministry of Defence and Sierra Leone Armed Forces. Brigade Advisory and Support Teams were deployed to each of the three brigades and to Freetown Garrison with small teams based with each battalion. A dedicated training team was located at Benguema to develop recruit, NCO and officer training. IMATT eventually covered all aspects of defence management, including personnel procedures, procurement and civil control of the Armed Forces.

Gradually IMATT shifted from direct involvement in executive and command functions and delivery of advice and training to supporting the Horton Academy for officers and a reduced senior advisory role in the Ministry of Defence and the Joint Force HQ. It also increasingly facilitated Peace Support Operations training. As a result IMATT reduced to approximately 35 personnel by 2012. Following Sierra Leone's third successful elections since the civil war IMATT was replaced by a nine-man International Security Assistance Team (ISAT) in April 2013 with a smaller military component. ISAT has a broader and more strategic security sector reform remit, including civil policing, and a regional role.

Sierra Leone Armed Forces are now able to take part in international operations in Darfur with UNAMID and in Somalia with AMISOM. Sierra Leone can take considerable pride in having moved from being a recipient of international peace missions to being a contributor. The Sierra Leone Armed Forces are also now one of the better respected organisations in Sierra Leone – a success largely attributed (by others) to the UK.

REGIONAL CAPACITY BUILDING: British Peace Support Team (East Africa) (MoD)

British Peace Support Team (East Africa) (BPST (EA)) was established in 2000 to train Kenyan units joining UN peacekeeping missions. It established and built the Peace Support Training Centre, a Kenyan training institution for 50 students a year and the International Mine Action Training Centre (IMATC) in 2005 to train Kenyan and Rwandan de-miners. Rwanda was declared mine-free in 2008. The Centre was later gifted to the International Peace Support Training Centre (IPSTC) which, with BPST (EA) support and funding, is now an independent, internationally funded organisation training 2,600 students a year.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

In 2005 BPST (EA) built the headquarters of the Eastern Africa Standby Force's Coordinating Mechanism and Planning Element. BPST (EA)'s current activity is focused on three main pillars:

- Assisting with the development of the Eastern Africa Standby Force, and in particular the East Africa Standing Force, in order that they achieve full operational capability by 2015.
- Training troops for current Peace Support Operations, particularly AMISOM but also including UNAMID and UNMISS.
- Improving a small number of regional institutions that support both current and future Peace Support Operations, through education and training.

BPST (EA) also conducts a number of small-scale and low-cost activities such as MANPAD assessments on airports, physical security and stockpile Management courses in support of efforts to counter the proliferation of small arms and light weapons, Counter Improvised Explosive Devices (C-IED) training to security forces, and support to other government departments on a range of security activities in the region.

Over BPST (EA)'s 12-year lifespan HMG has provided around £50m of funding from the tri-departmental Conflict Pool. The UK's effort has helped East African states become better able to respond to security challenges within the region and to cooperate with the international community, contributing to the region's stability and helping to prevent further conflict.

SPORT

FOOTBALL IN AFGHANISTAN (FCO)

Drawing on the UK's reputation for great football, the British Embassy Kabul supported the development of Afghanistan's national football competition – the Afghan Premier League (APL) to help reinforce a shared national identity, promote ties between communities and build Afghan confidence in the political process and government. These outcomes contribute to the UK's wider objective of a stable Afghanistan which is capable of managing its own security and delivering for its citizens.

UK support has funded regional APL tournaments to increase involvement and engagement at the provincial level. We have also funded APL tournaments for women's football teams and youth teams. This support is helping create credible and accessible Afghan role models in the form of sports personalities. These new footballers, who come from all parts of Afghanistan, not only provide a positive image for young people to aspire to, but also amplify key UK messages about the importance of political participation and transparency in public life. The APL is being used as a vehicle to communicate messages around the forthcoming elections, including the importance of voting. We also funded a Premier Skills project to train grassroots Afghan football coaches, delivered by the British Council and Premier League and involved an Everton coach and a former Crystal Palace player.

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence

The APL has attracted participation from across Afghanistan with all major ethnicities represented. Two of the eight teams included Afghan refugees from Pakistan and Iran, demonstrating that football can successfully break down barriers and contribute to a more stable Afghanistan. The final game of the 2012 season attracted 10,000 spectators (5,000 in the Kabul Stadium and 5,000 watching from screens outside the stadium). Ten football clinics for over 1,000 school children (both boys and girls) were held in cooperation with the education departments of each province and involved the distribution of merchandise with messages around peace, unity, education and the dangers of drug use. We hope, through sponsorship revenues and ticket sales, that the APL will eventually become self-financing. On

20 August 2013 the Afghan national football team played Pakistan for the first time since 1977, this was also the first time Afghanistan had hosted an international football game for over ten years. The initiative was supported by the UK. The game was widely covered in local, regional and international media. The vast majority of reporting was positive, emphasising key messages of national unity and friendship.

LONDON 2012 (FCO)

The London 2012 Olympic and Paralympic Games were a unique opportunity to show the rest of the world the modern, open, inclusive and creative Britain of today, drawn from our rich culture and heritage. Key to the success of the Games is how we are able to build on the reputation the UK secured, not just for being able to put on a good show but also to deliver cutting-edge design, technology and innovation in infrastructure, transportation and security, management and organisational skills and social inclusion through multicultural volunteering and cultural programmes and championing the rights of the disabled to participate as equals in society.

The hosts of future international sporting events are looking to the UK to provide the facilities and management. During the London Games over 100 Brazilian officials and administrators worked alongside the Games organisers and in Government Departments to learn from the UK how to deliver an Olympic and Paralympic Games. UK sporting, transport and security experts are working alongside the Brazilian authorities and over 37 UK firms have won a total of £130 million through 62 sports contracts in Brazil as they prepare to host the 2014 World Cup and the Rio Olympic and Paralympic Games in 2016. We are already well placed to make the most of the opportunities presented by Tokyo 2020, including on events infrastructure and security, communications, English language teaching and environmental issues.

Having persuaded all 193 UN member States to co-sponsor the Olympic Truce Resolution - the first time in Olympic history - the UK has been working to embed the UK's Olympic Truce legacy in the UN and international Olympic Committee systems, you can see examples of our activity on the FCO Storify account at <http://storify.com/foreignoffice/olympic-truce>. Since the London Games we have worked closely too with the Russian authorities and Russian Olympic Committee to ensure that the commitments made under the Resolution are taken forward at the Sochi Winter Olympics in February 2014. We are also using the opportunity of Sochi to raise broader human rights issues with Russia, including our concerns on Lesbian, Gay, Bisexual and Transgender Rights.

The British Council, UK Sport and UNICEF are working together on *International Inspiration*, a legacy initiative to use sport, physical education and play to enrich the lives of 12 million

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence
children in over 300 schools in 20 countries: Azerbaijan, Bangladesh, Brazil, Ethiopia, Egypt, Ghana, Jordan, India, Indonesia, Malaysia, Mozambique, Nigeria, Palau, Pakistan, South Africa, Tanzania, Trinidad and Tobago, Turkey, Uganda and Zambia, partnering with 287 UK schools.

PROMOTING UK EXCELLENCE IN REHABILITATION TECHNOLOGIES THROUGH THE PARALYMPICS (FCO / BIS)

Through the SIN and UKTI in France, we used the momentum of the Paralympic Games in 2012 to successfully promote UK excellence in rehabilitation technologies.

Working closely with Health Tech and Medicines Knowledge Transfer Network, the Royal Academy of Engineering, ESRC and UKTI Life Sciences team, SIN France designed a series of complementary events, to attract international experts in rehabilitation technologies to UK excellence and expertise in this field.

With SIN and UKTI partners, we identified and managed the international delegations at the Global Business Summit on Advances in Assistive Medical Technologies (including a visit to Stoke Mandeville Hospital), and organised an event the next day on how sport can drive engineering innovation, with presentations and discussions featuring key experts from UK and international academia and industry. David Lidington, Minister for Europe (whose constituency includes Stoke Mandeville), gave the keynote address. Making the most of their 'global brand', Stoke Mandeville is exploring opportunities to set-up a R&D centre around assistive medical technology.

SIN Russia was also closely involved, bringing a select delegation of clinicians to the events. This has resulted in Russian interest in investing in UK biomechanics technologies. UK research centres are now connected via Brazilian experts to the Brazil 2016 Paralympic Games.

As a result of this work, £60K investment was made in Imperial College technology designs and PhysioFunction', one of the UK's leading providers of specialist hands-on Neurological Physiotherapy and Rehabilitation Technology have agreed to deliver a set of rehabilitation master classes.

6. LEARNING FROM OTHERS: SOFT POWER IN COLLABORATION

SOFT POWER IN BRAZIL (FCO)

Sharing our practical experiences on soft power with others helps us learn how to make the most of our assets and identify opportunities for future collaboration. For example, in March 2013 an FCO-funded Wilton Park roundtable on 'Applying Soft Power: the British and Brazilian perspectives' took place in Sao Paulo. Attendees included senior political and cultural figures who discussed a range of issues from digital engagement, education and English Language Training to the role of the respective diaspora communities and the work of museums. The Brazilian Minister for Culture, Marta Suplicy, spoke about the diversity of

Government (Department for Business Innovation and Skills, Cabinet Office, Department for International Development, Foreign and Commonwealth Office, Home Office, Ministry of Defence and UK Trade and Investment (UKTI)) – Written evidence
Brazilian culture and the need to broaden awareness of Brazil beyond football and carnival. She said that Brazil has much to learn about soft power from the UK.

The conference had immediate impact, strengthening the Brazilian Minister of Culture's focus on UK-links, including a stronger relationship with the Victoria and Albert Museum, as well as, new engagement with, amongst others, the Science and Natural History Museums and the Tate Gallery. The British Embassy in Brasilia is now working with Wilton Park to deliver a series of focussed on-line discussions covering education, language and museums to support a wide range of soft power work in Brazil from the GREAT campaign to education, science and sport.

For another example of soft power collaboration with Brazil see DCMS' Storify on Young UK athletes competing in Brazil as part of an exchange programme with the 2016 hosts <http://storify.com/DCMS#stories>.

GLOBAL DEVELOPMENT PARTNERSHIPS PROGRAMME – WORKING WITH BRAZIL (DFID)

The UK's work with Brazil on nutrition demonstrates how the UK's international engagement on development can move from aid to strategic partnership. Our strong partnership with Brazil to tackle undernutrition is important for a number of reasons. For example, Brazil itself has had great success reducing undernutrition, hunger and poverty; Brazil is a key influencer of other middle income countries who we want to encourage to scale up their efforts to tackle undernutrition; as the next Olympic host, there have been many opportunities to publicly engage with Brazil on this issue and so draw international attention to it.

The UK used the opportunity of the London 2012 Olympics and its Presidency of the G8 to co-host two high profile events with Brazil, to mobilise international commitments to tackle undernutrition: the *Olympic Hunger Event*, on the day of the closing ceremony of the Olympics; *Nutrition for Growth: beating hunger through business and science* on the 8 June 2013. At *Nutrition for Growth* 27 businesses pledged to improve the nutrition and consequently the productivity and health, of over 927,000 members of their workforces in more than 80 countries, see the Storify page at <http://storify.com/DFID/nutrition-for-growth-beating-hunger-through-busine>. Brazil has committed to hosting a follow up event at the Rio 2016 Olympics.

UK-USA ENERGY RESEARCH COLLABORATION (FCO / BIS)

Through our SIN in the USA, we successfully broadened UK-USA energy research collaboration beyond its previous focus on fossil fuel energy.

The UK signed a Memorandum of Understanding (MoU) with the US Department of Energy (DOE) in 1991 on research collaboration in energy and energy technologies. Over the first 20 years of the agreement, the overwhelming majority of the work undertaken was in the area of fossil energy, with the US National Energy Technology Laboratory and the Technology Strategy Board funding nearly all the collaborative work. In 2009, we concluded it would be beneficial to the UK to broaden the scope of the MoU to facilitate joint working in a broader range of disciplines and technologies.

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In April 2012, after a sustained campaign of relationship building and influencing, the US Secretary of Energy Steven Chu and the UK Secretary of State for Energy and Climate Change Ed Davey signed the expanded MoU. In late 2012, DOE issued their first ever international call for proposals, focusing on small and medium size reactors. SIN is currently exploring DOE-UK collaborations in high-performance computing, nuclear engineering, and frontier areas of energy science under the umbrella of the newly signed and expanded MoU.

SCIENCE WITHOUT BORDERS (FCO / BIS)

‘Science without Borders’ is a Brazilian Government flagship scholarship programme to send 101,000 Brazilian students on undergraduate and PhD courses to study science, technology, engineering, mathematics as well as courses in the creative industries to universities around the world.

We are using the UK’s excellence in education to strengthen UK-Brazil relations, to promote the programme through road show events around Brazil, GREAT campaign and other funds to help students understand what it is like to study in the UK. The Brazil SIN Network Brazil is supporting signing of cooperation agreements between UK and Brazilian universities to maintain the flow of students once the ‘Science without Borders programme’ ends.

The UK was the first country to offer a centrally-managed placement service for Brazilian students (run by a discreet team at the UK HE International Unit). The British Council Brazil has run ‘crash courses’ for students whose level of English Language falls just short of the required standard for entry to the UK.

Over 1000 Brazilian students from more than 100 Brazilian universities are now studying and living in the UK. A number of businesses are supporting the scheme, with placements and sponsorship: GlaxoSmithKline; General Electric; Harris Pye; BG Group; Unilever; Rolls Royce; Cisco; National Grid; Centrica.

September 2013

Government (Department for Business, Innovation and Skills, Department for Culture, Media and Sport, Department for International Development and Foreign and Commonwealth Office) – Oral evidence (QQ 1-22)

**Government (Department for Business, Innovation and Skills,
Department for Culture, Media and Sport, Department for
International Development and Foreign and Commonwealth Office)
– Oral evidence (QQ 1-22)**

Evidence Session No.1

Heard in Public

Questions 1 - 22

MONDAY 10 JUNE 2013

Members present

Lord Howell of Guildford (Chairman)
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Baroness Goudie
Lord Hodgson of Astley Abbotts
Lord Janvrin
Baroness Morris of Bolton
Baroness Nicholson of Winterbourne
Baroness Prosser
Lord Ramsbotham

Witnesses

Maddalaine Ansell, Head of the International Knowledge & Innovation Unit (Global), Department for Business, Innovation and Skills, **Hugh Elliott**, Director of Communication and Engagement, Foreign and Commonwealth Office, **Barbara Hendrie**, Deputy Director of Global Partnerships Department, Department for International Development, **Andrew Mitchell**, Director of Prosperity Directorate, Foreign and Commonwealth Office, and **Keith Nichol**, Head of Cultural Diplomacy, Department for Culture, Media and Sport

Q1 The Chairman: Good afternoon, everybody. On behalf of the Committee, I thank the witnesses for attending today. We are very pleased to have an opportunity to exchange thoughts and enlarge our own understanding of the subjects to hand, and to do so in the presence of five very senior members of the Administration, from four different departments. That is excellent. I will not list all your roles because they are on the paper in front of the Committee. Any enlargement of particular work or interests can come when you answer some of our questions, which I will proceed with in a moment.

Before I do so, the Committee has to go through a necessary and important procedure, which is that each person who speaks in this first formal hearing of the Committee is obliged

Government (Department for Business, Innovation and Skills, Department for Culture, Media and Sport, Department for International Development and Foreign and Commonwealth Office) – Oral evidence (QQ 1-22)

to state their interests and the possible relevance of their interests to the work that the Committee is undertaking. This is a particular problem with this Committee because the scope of our international observance and involvement is very wide indeed. Nevertheless, that is necessary and therefore as the Chairman I must set the pattern by indicating that my interests and concerns are as in the *Register of Lords' Interests*, and cover my advice to international Japanese companies, a big investment fund from Kuwait, the Chambers of Commerce, various energy groups and the Council of Commonwealth Societies. I am the president of the Energy Industries Council. I am also a personal adviser to the Foreign Secretary on energy security and give him advice on a personal basis from time to time—whether he takes it is, of course, another matter. That is what I have to say before my questions to you now; other Members will be prefacing their questions with similar recitations, as they wish.

My first question is aimed mostly at the Foreign and Commonwealth Office. We are very pleased that we had the chance to meet you, Mr Elliott, when you talked to us informally at a private session about some of the broad questions arising from our interest in soft power and the UK's influence around the world. You are now here in a formal role, so I will put a formal question to you—and to Mr Mitchell, and other members of the group if they wish to join in, but we shall be aiming questions at them specifically in due course so their time will come. Question: what is the standing of the whole concept of soft power in the work of the Government and of the Foreign and Commonwealth Office? Are all your departments—not just the FCO—conscious of this line of thought and the way in which it has developed in recent years? How much of a priority is soft power promotion for the Government, and where does it fit in to the phraseology and concept of the “global race”, which the Prime Minister was talking about today in fact, and many Ministers have spoken about, in which this country is now perforce involved more energetically and more critically than ever before? Perhaps I could start with you, Mr Elliott.

Hugh Elliott: Thank you very much, my Lord Chairman. It is a pleasure to be back in front of the Committee in a formal capacity with my colleagues from the other three departments. If I might start by addressing the definition of “soft power”, which is such a slippery term in some respects, it is worth recalling that the definition most commonly used, given by Joseph Nye, is as, “the ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive attraction in order to obtain preferred outcomes”. It is worth dwelling on that for a moment. In many respects, I think it would be widely agreed that that describes the core business of the Foreign Office writ large. That is very much what we as an organisation seek to do. It would be possible to frame an argument under which almost anything that the Foreign Office did constituted an exercise of soft power to some degree. I hope that some concrete, specific illustrations of that will come out in our session this afternoon. Particularly when we address some more specific strands, processes and campaigns through which soft power is addressed, it will be important to bear in mind that those are only elements of a much broader framework in which the whole of the Foreign Office's activity is touched in one way or another.

Specifically, the standing of soft power in the department is extremely high, we are extremely conscious of it in our work and it is a major priority for us. We believe that it is a central tool of our foreign policy and it is core to achieving the Government's international objectives, which are to extend the UK's influence, to promote international understanding through persuasion, and advance UK security and prosperity interests. The concept is threaded through our various departmental business plans and our individual country business plans through which work across government is brought together and articulated

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overseas on a country-by-country basis. These business plans integrate the breadth of soft power and how it is expressed through not just our diplomacy but our science and innovation, trade and investment and other work through the Government.

We believe that soft power works best as a tool for government when it is focused and tailored for specific regions, countries, themes or audiences as an integral part of policy. It brings together all our different elements of influence in pursuit of policy objectives that can unify. For example, we deliver soft power under that definition through our cross-government conflict prevention work; through international development, which I am sure we will hear about more later; through education and culture; through parliamentary exchanges; through the work of the British Council and the BBC World Service; and through our work in promoting human rights, for example, through the Foreign Office's Gulf initiative and Arab partnership, which are very specific examples of where we have sought to exercise influence. These cross-government efforts are aimed at strengthening regional security, at building commercial, economic, cultural and educational links and ties, and at key foreign policy priorities of the Government. I would like to mention that the visits by members of the Royal Family are instrumental in extending the UK's influence overseas.

A specific example of one campaign through which the Foreign Office has sought to change the international agenda through the exercise of its indirect influence and soft power would be the Foreign Secretary's initiative on the prevention of sexual violence in conflict, which he launched on 29 May 2012. I will not go into the detail for reasons of time, but this has culminated already this year in a declaration by G8 Foreign Ministers. We have been working through political and diplomacy channels and in the area of capacity development to practically strengthen the ability of governments on the ground to address this and move the stigma from the victims to the perpetrators of sexual violence in conflict, which simply had not been addressed by the international community before but now has been brought right up the agenda. We have been able to do that because we have had the ability to direct and focus the influence and attraction that we have towards this very specific agenda.

The GREAT campaign is another area that I am sure we will touch on, in which we have adopted very much a campaign approach to changing the dial. I would like to refer to the speech that the Foreign Secretary gave at the Lord Mayor's Banquet just a couple of months ago because this sums up the definition of how we can best exercise our influence internationally and the credibility that we have to do this. He said: "Britain is a diplomatic and cultural power, and one of the few countries that can 'turn the dial' in world affairs. We are diplomatically active in most countries on earth, able to project military force if necessary, outward-looking and open in our disposition, and skilled at using our democratic institutions, our experiences, our language and our culture to work with other nations to help them overcome their problems". As a broad introduction, I will leave it at that and perhaps my colleagues will continue if you would like answers from other departments.

Q2 The Chairman: Thank you very much indeed. That was an excellent opening survey and indeed, as you say, an entrée to your other colleagues to expand on that very telling phrase, "a diplomatic and cultural power"—and presumably, we hope, a trading and business power as well. Still within the framework of this question, perhaps I could ask your colleague from the Foreign Office, Mr Mitchell, if he would like to add a few comments on that aspect.

Andrew Mitchell: By all means. Thank you, Lord Chairman. To talk a little bit about the challenge, first of all, we recognise that sustainable economic growth in the United Kingdom will be delivered only through energetic action overseas. The United Kingdom is a strong

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economy. What the Foreign Office is in a position to do, working with its partners overseas, is to help to create the global conditions for continued and sustained growth. Through our missions overseas, through the person of the head of mission, our work is about using political insight and influence to promote British business interests, to work for open economies, to combat protectionism, and to work to remove barriers to business, including weak governance, overregulation and corruption. We use that wide network and strong relationships to sustain an open, transparent, rules-based international economic system, and to advance international trade.

You mentioned in your introduction that the Prime Minister had been speaking again today about the global race. Through the work that we do overseas, we recognise the importance of the British economy being competitive. We recognise that we need therefore to bring to bear all the assets of Government overseas. The heads of mission in our embassies and high commissions around the world are responsible for integrating that work. There will be a single business plan in every mission overseas, a very important aspect of which will be how we pursue our prosperity interests around the world, using and leveraging the various assets of other Government departments to good effect. As my colleague said, if one has been in that position of leveraging our assets overseas, there is no doubt that our credibility—the quality of the influence we are able to bear—is a function of Britain’s soft power. We are a member of multiple international institutions. We have genuine global reach as a nation. We are a member of a number of multilateral international organisations that help to extend and expand that reach. From our perspective in supporting British business overseas, that is a very important aspect of the way in which we exercise that soft power.

The Chairman: That is the broad aims; we are obviously going to come on to the performance in a moment.

Q3 Lord Foulkes of Cumnock: Chairman, perhaps I might pose a supplementary question to the two representatives from the Foreign Office, particularly to Hugh Elliott. I know that it is your job to be as positive as possible about all the things that you are doing. Did you not feel, in what you said to us, that you were sounding a wee bit complacent, that there is nothing more to be done?

Hugh Elliott: Lord Foulkes, no, I did not. If I gave the impression of being complacent, I apologise. Absolutely not, this is an ever-changing panorama in terms of the context in which we have to adapt to successfully project and use soft power in order to achieve the outcomes that we want. I know that questions may be directed to us in the future around the digital revolution, which is a major challenge for the Government, as it is for all institutions, in having to adapt to a transformation of the way in which people communicate around the world. So absolutely not, we are by no means complacent—lots more to do.

Lord Foulkes of Cumnock: You spoke about our democratic institutions. Let us be self-critical here. We know about some of our problems in our democratic institutions. Should we not be a bit more—not modest—careful in explaining what the United Kingdom and how we operate, and say that we have things to learn? The whole purpose of this Committee is not for us to say how wonderful we are and have been, but to find out how other countries are doing it and what new ideas there might be. Have you set your mind to that as well?

Hugh Elliott: Absolutely. We are very conscious that the ability to exercise this sort of influence is very much a factor of one’s credibility as a nation. I referred to that before and I think it is a very important issue. One’s credibility is also determined by the nature of

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positive bilateral relationships with important nations, as well as multilateral relationships, and those are achieved through understanding the interests and activities of others as much as of discussing one's own. So I absolutely agree with you.

The Chairman: I am going to be a slightly maddening Chairman, Lord Foulkes, and say that the thrust of your questions is absolutely right and we are going to come to the whole pattern of what is holding us back and what this Committee can contribute, but first, a smaller matter: did you have any interests to declare?

Lord Foulkes of Cumnock: Oh, yes, sorry. I should have said that right at the start. Apart from what is included in the Register, I am also president of the Caribbean Council but I am not paid for it.

The Chairman: Still in the framework of this question—we were on the prosperity theme—perhaps I can turn to Maddalaine Ansell of BIS to ask how her department sees this whole concept.

Maddalaine Ansell: Absolutely. We are very well aligned with the Foreign Office's objectives in this. The overarching objective for the Department for Business, Innovation and Skills is to return the economy to growth, and we recognise that this needs to be export-led. As part of that, we are working very closely with the Foreign Office; for example, on encouraging rules-based trade with other countries, particularly the emerging powers that do not necessarily have the same systems that we do. We also work very closely with the FCO on science, innovation and education, not only for the direct benefits that this brings to growth or education exports but for the soft power collateral benefit that we gain through that.

Q4 The Chairman: Thank you very much. The words of the Foreign Secretary about diplomatic and cultural power were quoted. One of the phenomena that we will be looking at much more closely is the relationship between creativity and cultural activity and its consequent impact on business relations and other aspects of government. Perhaps Mr Nichol would talk to us for a moment about that.

Keith Nichol: Thank you, Lord Chairman. This area of soft power certainly is a priority for my Secretary of State. She sees it as central to the DCMS agenda. I echo the points that were made about what the Prime Minister said about the global race. We know that other countries are increasingly seeking to deploy their soft power assets, so we are in a competitive situation. There is absolutely no scope for complacency. When we hear very positive messages about how the UK is perceived as a world leader in culture and the creative industries, that is reflected economically through the export of creative industries—everything from fashion to film to broadcasting—but we cannot rest on our laurels.

We have been given a terrific position by London 2012 and it is a key part of our Olympic legacy to deploy our cultural assets for the benefit of the UK as a whole. In doing so, we also promote the UK's values around the world and we support our bodies in a way that is respectful of the arm's-length principle. What we cannot do, for example, is direct our cultural bodies to go to Singapore and put on a show there, but we can align our activity with what they want to do. Working in partnership with the Foreign Office, the British Council and UKTI, we have an increasing alignment—a coalition, if you will—to pursue these activities in a way that benefits the UK collectively.

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Reciprocity is absolutely vital here. This should not be just about us doing things to the rest of the world. It should be about us welcoming the best in contemporary culture from around the world to expose the UK audiences to that and, in doing so, build the trust that we need to have relations with countries for the future.

The Chairman: Thank you. Finally, I will turn to the Department for International Development. Barbara Hendrie, you are a considerable and established expert in very important fields to do with development. You are an anthropologist, I think. In the halls and portals of DfID—where you have a very substantial budget, of course—how do you all react when the subject of soft power comes up?

Barbara Hendrie: Thank you, my Lord Chairman. As you will know, DfID's mission is focused on development and poverty reduction. When we think about our contribution to soft power, it is primarily through the impact and the results that we produce and the integrity of our development programme. We have had very positive feedback for DfID as a global leader in development, generated out of our commitment to reduce poverty and to reach the international target of 0.7% of gross national income provided as official development assistance. We will become the first G8 country to hit that target this year, as well as the first EU country¹¹⁰. Making good on our commitment may have, for example, translated into the Secretary-General asking Prime Minister David Cameron to co-chair his high-level panel on the post-2015 development agenda, which will basically set the global agenda for the new set of global development goals for the next generation. That panel has recently produced a very influential report. We feel that the capability of our development programmes generates soft power for the UK by enabling us to play a leadership role on the global development agenda.

The Chairman: Thank you. I think that brings us to the end of round one. We have had all the departments now giving their overview. Perhaps Lord Forsyth will develop this theme.

Q5 Lord Forsyth of Drumlean: Thank you, Lord Chairman. I declare my interests as on the Register. The only thing I can think of that is not on the Register is that I am a patron of a charity that helps women in India. We have heard phrases like “turn the dial”, “soft power”, “collateral benefit” and “rules-based trade”, and Barbara Hendrie has just told us how marvellous it is that we have such a fantastic input in terms of resources towards development programmes. Can you focus on the outputs and tell me specifically what your departments have achieved in enhancing the UK's attractiveness and influence abroad and in furthering the UK's priorities, and how you measure that? Perhaps you could give us some examples of successes and how they have been measured and of failures and how they have been measured. It is very difficult to believe that there are systems in place that look at effectiveness if you are not able to come up with examples of failures and how they have been turned round, as well as successes.

The Chairman: Who would like to start? Mr Elliott?

Hugh Elliott: I would be happy to kick off. Thank you, my Lord Chairman. In terms of what we have done to enhance the UK's attractiveness and influence, and the extent to which we have achieved what we have set out to achieve, I would like to answer this in two parts, if I may. I am sure that my colleagues will have a lot to contribute. I go back to my first point, which is that when we are talking about projecting the UK overseas and the UK's attractiveness and influence, we are talking about the whole broad range of the UK's foreign

¹¹⁰ The UK will not be the first EU country to reach the 0.7% ODA/GNI target. In 2012 and in previous years Denmark, Luxembourg, the Netherlands and Sweden spent over 0.7% of their GNI as ODA

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policy. I would refer the Committee to our annual report for 2011-12 and the annual report for 2012-13, which will come out shortly. I appreciate that that is just one part of the question—

Lord Forsyth of Drumlean: Forgive me for interrupting you, but I am looking for specifics. For example, I am looking at the pound having fallen by about 25% and our exports remaining pretty well neutral. I am looking for specific examples of where you have achieved these objectives.

Hugh Elliott: Absolutely. I was just about to come on to that. I just wanted to reinforce the point that the generic issue is important because a lot of activity goes on underneath that. I will give you one specific example which is perhaps illustrative of what goes on around the world in so many ways, in so many different places and by so many different posts. This is something that was carried out by our embassy in Mexico. The problem with Mexico was that the UK brand was relatively low and that in the UK people were partly ignorant of Mexico or had insufficient knowledge of it as a potential market. The problem was that we were not exporting as much as we should have been doing. We were not exploiting the potential of Mexico as a bilateral partner to the degree that we should have been.

When we talk about the embassy, as I hope we will illustrate further on, we are talking across Government here, the embassy working as Government joined-up overseas. The embassy launched a campaign in 2012 to promote the UK in Mexico. I will not go through every detail, but there was a whole part of that campaign that had to address the problem of those perceptions. That was done partly through cultural visits and government visits; it was done partly through the blessing that was the Olympics last year, which gave us global projection and global visibility; and it was done partly through the GREAT campaign, which we will also hear about. In a nutshell, it was a sustained campaign, with top-level visits both ways—the Prime Minister to Mexico, the Mexican President to the UK—and a whole series of events, some of them quite small; for example, little things such as putting GREAT branding on the disabled entrance to the UK embassy. That was quite a small but totemic thing to happen in Mexico City and it is still there on the pavement.

Cutting straight to the chase, what did that campaign achieve? The figures were that goods exports to Mexico went up by 13% from 2011 to 2012 to more than £1 billion, and that visitors to the UK increased by 7% to 84,000 in 2012. Those numbers may seem relatively small. What does “turn the dial” mean specifically? It means having that sort of impact in a relatively short space of time, and what we are doing around the world and focusing on priority markets and countries is to try to achieve that sort of specific objective.

The Chairman: Lord Hodgson, would you like to pursue the same theme but still wider?

Lord Hodgson of Astley Abbotts: I think that Lord Forsyth wants a follow-up.

Lord Forsyth of Drumlean: I asked each department if they would answer the question.

The Chairman: Fine. Which department do you want to focus on now?

Q6 Lord Forsyth of Drumlean: I want to hear from all of them. Perhaps we should start with BIS.

Maddalaine Ansell: Yes, of course. I can talk about some of the specific work strands that colleagues are leading on in this agenda. I might have to give the very specific achievements from my own area of science, innovation and education, because I will not otherwise have

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the details at my fingertips. Among the things we do, we ensure that we take a leading role in delivering trade liberalisation agreements that suit UK interests, including mobilising the Government to support an EU-US trade agreement. A fairly recent achievement in that area is that UK retailers are now able to operate in India in a way that they were not able to a year or so ago. We also look to tackle market access barriers and threats to UK business investment, both through the EU and through bilateral dialogues and direct lobbying.

Perhaps you would not usually describe this as a market access barrier, but one of the achievements we have made in Brazil is an agreement with FAPESP, which is the organisation that delivers research funding in the state of Sao Paulo, which is the most important state in Brazil for science funding. We agreed with FAPESP that it would use the same criteria as we do for allocating research funding. It is important to us that research funding is allocated for the most excellent research, decided by peer review. Some countries prefer to have a more top-down approach to allocating research funding. The achievement in Brazil was that by creating one single peer-review process involving Brazilian reviewers in a process that we would recognise, it has been possible for far more UK-Sao Paulo research to take place than would otherwise have been the case. We are currently following the same approach with the Ministry of Science and Technology in China, which also has quite a top-down approach, and we are looking to work with it to introduce peer-reviewing processes.

Another kind of market barrier that we are working to address is around a mutual recognition of qualifications in the education field. We are working very closely at the moment with India and the United Arab Emirates, and we hope very soon to be working with Russia, to find ways in which we can mutually recognise each other's qualifications, which makes it easier for students to study overseas and know that the degree they have achieved overseas will be recognised when they come back to the UK.

BIS also does a fair amount of work supporting the activities of the G8 and the G20. Again, in my own area, we are working to deliver the G8 science ministerial on Wednesday. We are also looking to encourage open access and open data, and to see if we can work together to tackle problems such as antimicrobial resistance, all of which are important for soft power because they enhance the UK's standing as a key science nation. We find that when countries are thinking about what areas they would like to work on with the EU, many of them think of science and education as important areas for engagement.

BIS also works very closely with UKTI, which we co-sponsor with the Foreign Office. Again, I do not have the figures at my fingertips but I know that UKTI has quite a comprehensive set of targets for measuring trade increases that are brought about by its activity.

Q7 The Chairman: That is an impressive list. Shall we just hear from DCMS on outputs?

Keith Nichol: Thank you. Of course, the Olympics was not solely a DCMS project but across Government as a whole, but there were a couple of outputs from the Olympics; for example, the Cultural Olympiad and the demonstration of our world-leading arts and culture. Shakespeare's Globe put on the "Globe to Globe" season during the Olympics: Shakespeare's plays in 37 languages from 37 countries around the world. That has already stimulated both another Globe season this year, as well as all sorts of demand from around the world for partnerships with arts organisations during the Shakespeare 400th anniversary in 2016. Those partnerships are flourishing. It is not something that came to an end at the end of the Olympics. We hear from around the world that the Paralympics was a tremendous vehicle in helping to create a more enlightened attitude towards disability in several countries. Having the first Olympics where every country sent a woman athlete was an output that Ministers regard as very successful.

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In a different area, you have the work of organisations such as the British Library or the British Museum in preserving the archaeological heritage of countries such as Iraq or other post-conflict states. That sort of thing does not get much publicity but it builds trust in these countries as they rebuild themselves, and helps the UK become a partner of choice for those countries.

We have very clear figures on the outputs in terms of tourism. People do not come to this country for the weather; they come for our arts, culture and heritage. We see that specifically in not just increased numbers of visitors but increased visitor spend. In terms of economic growth, that is usually important.

In China last year we had the biggest ever festival of UK culture in China. That built on the experience from the Shanghai Expo, where Thomas Heatherwick's pavilion was voted by the Chinese public as the best national pavilion. He of course went on to create the Cauldron for the Olympics. He and other British architects and designers are winning multimillion pound contracts for major infrastructure projects around the world and we believe that our investment in culture and the creative industries is underpinning those successful bids for those contracts.

A final positive example is the recent joint venture that was announced between Pinewood and Bruno Wu, a major Chinese film producer. We believe that our film tax credits were important in attracting the Chinese to that; not just the Chinese but other Asian producers and Hollywood as well. Again, we are in a competitive position there.

You asked for failures. In terms of our values, we use sport in all sorts of multilateral contexts to tackle things such as racism in sport and anti-doping. That is where there is certainly no room for complacency. There are still examples of racism in sport in this country and we need to ensure that we have our own house in order as we try to encourage the rest of the world to a more enlightened place.

The Chairman: I was very pleased to hear that about Shakespeare's Globe—as a former director of Shakespeare's Globe, I should perhaps have declared my previous interest. It is very interesting and raises all sorts of points that we are going to pursue later about the contact between government and the non-government sector.

Lord Forsyth of Drumlean: Perhaps, Chairman, to save time, it might be easier for the departments to let us have a note along the lines of my question in due course.

Q8 The Chairman: Certainly, we have had a long, long list of very useful items, which in due course we would like to see recorded in notes. Perhaps we can hear from Dr Hendrie as well on outputs.

Barbara Hendrie: Thank you, my Lord Chairman. Of course, we primarily measure our achievements and our outputs in terms of development outcomes. We can give you detail about, for example, the numbers of bed nets, children immunised and people provided with emergency relief assistance globally. We would be very happy to provide that sort of information.

In terms of soft power outcomes, of course this is not an explicit goal for the department; it is more of an indirect effect. But we do think that with the programme that we started in 2010 with countries that we call emerging powers, we are generating real soft power benefits for the UK, particularly with countries such as Colombia, Mexico and China becoming interested in the UK model for how to establish a development co-operation

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organisation. We have had requests for conversations, workshops and sharing of information where countries are looking to the UK example as one possibility of how they might structure such organisations; for example, Mexico is just setting up its own development co-operation organisation. We are in conversation with Mexico at its request.

Lord Forsyth of Drumlean: Sorry to interrupt you, but leaving aside emergency aid and immunisation programmes, you are looking at development aid. Surely in applying development aid, you try to advance the interests of British companies and so on, and have some degree of conditionality?

Barbara Hendrie: Well, of course, UK aid is untied so we cannot give any special consideration to UK companies bidding for procurement contracts, for example. There is nothing to bar British companies from bidding and we do everything we can to make information available when those contracts are tendered, but our aid is untied so we cannot give special dispensation to UK companies.

The Chairman: Perhaps I can just say to colleagues that if anyone wants to come in and make the discussion more flexible, I am very happy for them to do so.

Q9 Baroness Nicholson of Winterbourne: Following the point that Lord Forsyth was making, the excellent outcomes that departmental representatives are telling us about are fully laudable. However, is it possible that they are a little bit as one would expect you to produce from your departmental responsibilities? Actually, what we are looking for is that extra called soft power, which is something over and above the normal daily routine as one would expect it. In your views, that may not be the case; you may feel that the departmental outcomes are reflected in some way or another in the soft power concept and therefore they qualify as soft power. Over and above that, I would like to know what evaluation mechanisms you are using, individually or together. How do the different departments correlate how soft power is being evaluated, by each department and collectively? Or is that not in fact possible and you merely quantify it as an extra piece of icing on your normal departmental cake? I have not yet been able to analyse that from the nice outcomes that have been presented.

The Chairman: Would anyone like to have a go at that? Mr Elliott again?

Hugh Elliott: I would be happy to kick off. I am sure that colleagues will have views. I think the underlying question is: is there an overarching articulated soft power strategy across Government covering all the potential areas of soft power? The answer is no; that does not exist.

Lord Janvrin: Can I come in with question 7?

The Chairman: We are going to come to co-ordination in more detail in a moment. If anyone has short questions now, that is fine. Sorry, were you in the middle of—

Hugh Elliott: I certainly was, my Lord Chairman, but I am at the Committee's disposal.

The Chairman: Carry on, Mr Elliott, I am so sorry.

Baroness Nicholson of Winterbourne: My question is on evaluation techniques.

The Chairman: I see: evaluation, not co-ordination.

Hugh Elliott: A broad, overarching, completely comprehensive strategy touching every issue of soft power does not exist. The Government have decided to focus in on specific areas

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where there is indeed a great deal of collaboration and co-ordination across soft power, and I suspect that we will come on to some specific examples later around the emerging powers framework. I would also like to suggest that my colleagues talk a little bit about the GREAT campaign, which brings together a number of different elements of the UK's soft power and how it is projected, and has some very hard metrics for how it is actually measured.

I have two observations as to the underlying question. It is absolutely the case that the broad definition of soft power is so loose that it is an area where it can be difficult to apply very specific metrics. That is absolutely a fair comment. But when you focus it in on specific campaigns, it is absolutely possible to apply those metrics. Perhaps Keith would like to say a few words from the GREAT point of view.

Keith Nichol: Thank you. The GREAT campaign is a marketing campaign across Government and a number of external agencies that was set up to coincide with the Olympics. We saw the Olympics as a terrific opportunity to market the UK more strategically. It has had until now three very clear pillars: one is around promoting more trade and inward investment, and there is a particular science and innovation angle to that; the second is around promoting more tourism to the UK; and the third is around promoting higher education. We want more students to come to the UK, not just because that has financial benefits but because it is one of the things that we know build trust in the UK among a generation that may include the future leaders of their countries. We are seeing both short-term outcomes and, I hope, longer-term outcomes from this.

In terms of tourism, there is fairly robust analysis of the VisitBritain figures—which I am sure we can send to the Committee if that would be helpful—that where the GREAT campaign has focused on particular countries, there has been an increase in the number of visitors from those countries above and beyond what we would expect from normal business. The British Council has told us that in terms of international students considering a UK education, the GREAT campaign has helped to stimulate more positive views toward that. Again, because it started only last year, we do not yet have the actual outputs but we feel that we are moving in the right direction. In terms of free advertising for the UK and all its assets, from a £30 million investment in the entire campaign, we appear to have had advertising that would have cost the public purse £85 million had we chosen to commercially seek that visibility. This is all emerging after 12 months. UKTI is putting together clear figures on inward investment and exports. As the campaign continues, we believe that we are going to have some very crunchy evidence to point to.

The Chairman: Several people want to come in this point. Lady Goudie? We will get to you eventually, Lord Hodgson.

Q10 Baroness Goudie: I declare my interests that are on the Register. I am co-chair of the All-Party Group on Global Education for All, which is important to mention, because of the departments and those who are assisting us with that. I have only one short question, and it is to the Foreign Office, on the subject of co-ordination across departments. Was there not a recommendation by Lord Carter of Coles that there should be a soft power board within Government? I looked it up but could not find the membership of it, but it was a clear recommendation. It was quite some time ago but I found that it was still there in the Cabinet Office minutes. That would be rather vital to what we are talking about today, and to the future, because without that type of very senior co-ordination, certain things are going to get lost—not the main policy but a number of issues will get lost.

The Chairman: Mr Elliott?

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Hugh Elliott: Thank you very much, Lady Goudie, my Lord Chairman. Indeed, you are absolutely right, this goes back to the Wilton review back in 2002, which initially set up the Public Diplomacy Strategy Board, which the Carter review then assessed and decided to change its focus a little bit and turn it into the Public Diplomacy Board. This was indeed re-set up in line with the Carter recommendations in 2006. It included several leading external thinkers in the area of soft power, including Simon Anholt, who produces the *Nations Brand Index*. The board served a valuable initial purpose in bringing together and giving direction to cross-Government soft power activities, especially around areas of best practice, but the decision that Ministers took over time was that the most important thing moving into the run-up to the Olympics was to focus on what was going to be a unique event and to focus what are always limited resources on making the very most out of that specific event. My colleague Andrew Mitchell, who was much more involved in the Olympics, might like to say a word or two about that.

Andrew Mitchell: On the specific example of the Olympics, I should say that I was the Foreign Office's Director for the Olympics and Paralympics in the run-up to the Games. The key point here is that this was a collaborative effort, not just across Government but with a variety of external agencies, the Mayor of London and, of course, LOCOG. We were in a position to build a campaign that was effectively an external campaign marketing Britain's strengths in the context of the Olympics. This was led by the Foreign Office but co-ordinated across Government, as I say. That campaign had a variety of features associated with it. At its heart was the desire to demonstrate that Britain is indeed not just a country of strong institutions but a modern, diverse, highly innovative society—one that brings together the best of traditional strengths of institutions with an ability to be relevant in the world today. In the context of that campaign, we had something like 1,500 events that we hosted in various places overseas. We developed a campaign that supported those events. We estimated at the time that something like 2 billion people were touched in some way by that global public diplomacy campaign; 70% of our posts took part in the campaign and we ran a number of global events, such as one in which we did 100 somethings on 100 days to go to the Olympics. This was an enormously successful campaign around the world. It was a relatively permissive environment in which to run a campaign of this kind because of course there was a tremendous amount of attention on the UK, but it was a very strong part of how we co-ordinated our public diplomacy efforts—our soft power efforts—in the run-up to the Olympics.

The Chairman: Lord Janvrin, did you want to come in on this theme?

Q11 Lord Janvrin: Yes, I would, but I had better do my interests. I am deputy chairman of HSBC Private Bank in the UK. I am on the board of trustees of a number of charities in this field, including the Royal Foundation, the Gurkha Welfare Trust, the Entente Cordiale Scholarships Trust, the National Portrait Gallery and Philanthropy Impact. I am on the advisory board of the UK India Business Council, and I am a former and now honorary member of the Queen's Household.

You said that there is no overall strategy but you have strategies in particular areas. I think I am right in saying that a business plan produced by the FCO some years ago talked in terms of producing an overall strategy. Is that now not the case and you are not going to try to draw the threads of soft power together in an overall strategy? If not, why not? The other element that I would like to come on to, but I do not know whether now is the time, is learning from other countries. But can I ask the overall strategy one, which is specifically for the FCO?

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The Chairman: Yes, let us come on to other countries later. It is Mr Elliott yet again, but if anyone else wishes to come in, please do so. We want to keep this comprehensive.

Hugh Elliott: In the interests of completeness, I will clarify for Baroness Goudie that the Public Diplomacy Board has since lapsed.

The Chairman: Yes, that we understand.

Hugh Elliott: The question about the intention to publish a soft power strategy goes back to my answer to the previous question. A great deal of work went on at official level in 2011 across government departments—this was not just the Foreign Office, although the Foreign Office was leading the work; and it was not just across departments, it was with outside organisations, our arm’s-length bodies, academics, NGOs, business and the voluntary sector—looking at exactly this broad issue of soft power. Ministers having looked at this, the decision was that with the Olympics looming extraordinarily large we should indeed focus very much on the Olympics and getting the most out of the Olympics as the unique opportunity for soft power projection that the United Kingdom had at that point in time. As for the future, I cannot really speculate.

Baroness Prosser: It is a fairly straightforward question, I hope, Lord Chairman. My interests are as recorded in the register of interests, but I should also mention that I am the secretary of the All-Party Group on Ethics and Sustainability in Fashion. My question goes to Mr Nichol. Was the UK’s reputation enhanced or damaged by the recent disaster in Bangladesh, both by the disaster itself and the positive response of some British companies, which has brought about quite a good result for lots of workers in Bangladesh? Not all British companies responded positively but the overall result has been quite helpful. Do you think that it impacted upon the view of the Bangladeshi people of the UK as a trader?

Keith Nichol: It certainly shaped people’s perceptions in this country as well as in Bangladesh and around the world. If such a tragedy serves to bring to light the circumstances in which these textiles are created, that is a positive thing in the sense of learning from such a terrible experience. It illustrates a point that relates to Baroness Nicholson’s question about how we measure the impact of all of this. You are absolutely right. The reaction of UK businesses and companies in the fashion and textiles industry was, if anything, possibly more important than the Government’s response. That role of ethics in business is shaping how the UK is perceived around the world. We have to recognise the limits to the Government’s influence in all this. The Government can act in all sorts of ways to try to promote positive images of the UK but there are many external factors, including the role that business plays, that shape the way we are perceived around the world.

Baroness Prosser: I think the view was that the Government’s response was pretty negligible, really; they hardly said a word, which was a bit of a shame.

The Chairman: That is another question, I feel. Lord Ramsbotham?

Q12 Lord Ramsbotham: Thank you, Lord Chairman. I declare only one interest that is not on the Register, which is that I am a former soldier and I was at one time involved with post-conflict reconstruction operations with and for the UN and the World Bank. Following on from what Lord Janvrin said about co-ordinating a part of the strategy, and also something you said at the beginning, Mr Elliott, about your responsibility for cross-government conflict prevention, as I remember from my work at that time, intervention and post-conflict reconstruction somewhere was conflict prevention somewhere else. All the time we have been speaking, Afghanistan has been going through my mind, as indeed Iraq

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has, because I always felt that with Iraq we never really co-ordinated the soft power and indeed a lot of the other economic development that we could have raised from our intervention and taken advantage of it. We have now got 2014 looming, and if we are not careful we will lose all the advantages that we have as a nation in Afghanistan. Who is actually co-ordinating what is going on? I know that the MoD training is part of the soft power development but who is actually co-ordinating it?

The Chairman: Any offers? Mr Elliott again.

Hugh Elliott: Thank you very much, Lord Chairman, Lord Ramsbotham. The co-ordination is done under the auspices of the National Security Council. It is important to say a few words about that, not just in respect of Afghanistan, where I know a lot of attention is being paid, as one would expect, to 2014 and to the whole range of areas in which the Government and the United Kingdom can effectively project soft power. More broadly than Afghanistan—and perhaps I should have mentioned this in the answer to Lord Janvrin—it is important to note that in terms of strategy around soft power, Ministers decided that rather than taking a completely global approach, the National Security Council would focus on key emerging powers and within that develop a specific strand around soft power. Perhaps my colleague Mr Mitchell would like to say a word or two about that.

The Chairman: We had reports about 18 months ago that our military forces in Afghanistan were becoming more involved in—or Ministers thought that they should become more involved in—civil power, civic operations and social reconstruction. Where would that idea have come from and which department would have overseen any change of emphasis in the military's role?

Hugh Elliott: I imagine that would have been done under the auspices of the National Security Council but I am not an expert on this issue. Perhaps it would be acceptable to write to you and answer that specific question.

The Chairman: Right, thank you. Sorry, you were just suggesting who should answer Lord Ramsbotham's question.

Hugh Elliott: Perhaps Mr Mitchell can talk a little bit about that.

Andrew Mitchell: When we talk about the emerging powers and the work that we do in the Foreign Office, in co-ordination with others, in engaging with the emerging powers, I recognise that that is not the totality of our targets for soft power in the world. It is discrete from the question of how we engage in the context of Afghanistan, but it is worth noting that the National Security Council has indeed decided to form a co-ordinating sub-committee on the emerging powers. This is part of the emerging powers initiative. Again, that broader emerging powers initiative is a response to the shift of power to the south and the east and the recognition that economic opportunity will increasingly come from a shift towards new export markets and new opportunities in those fast growing economies. As a consequence, the Foreign Office has undertaken a process of opening or upgrading 20 new embassies, consulates and trade offices in countries such as India, Brazil, El Salvador and Paraguay. We have upgraded or opened nine new posts, and we are working to upgrade further embassies and consulates in countries such as India, Liberia and Paraguay as part of an attempt to move our resources to those areas of the world where we feel that the combination of our ability to influence through soft power and by other means and to support our businesses is highest. There is also a dedicated emerging powers team within the Foreign and Commonwealth Office that supports that work, which is an innovation.

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As I mentioned, the work itself is co-ordinated through a sub-committee of the National Security Council that is charged with work on the emerging powers. This focuses on four strands of work: trade and investment; building alliances with the emerging powers to establish the rules-based international economic system that I talked about earlier; security issues; and cultural and people-to-people links. This is an exemplar of a project that the Government have undertaken, that they are co-ordinating across government, using the machinery of the National Security Council to do so.

I will also say a word about how we co-ordinate overseas. Of course, the head of mission in any given country will have a business plan, which will integrate the various measures that are part of the work that the mission undertakes. That is a broad spectrum of activity from trade and investment targets, which will be written into the business plan, through to outcomes associated with, for example, defence diplomacy work or other aspects of the work that we do overseas. That mission will also have a set of communications objectives and a team supporting those communications objectives.

To answer your question, in the context of Afghanistan, the Afghan-facing communications in Kabul are delivered by a cross-departmental British embassy communications team through a range of media. In Afghanistan social media is a particularly effective means of communicating with people: more than 32,000 people, including a high percentage of 18 to 24 year-olds, are following the British embassy in Kabul's Facebook page. The dedicated communications operation within the British embassy in Kabul integrates the various aspects of activity and support from other Government departments in delivering that communication.

The Chairman: Lord Foulkes, you wanted to ask a question on this, and then I would like to bring in Lord Hodgson.

Q13 Lord Foulkes of Cumnock: In answer to Baroness Goudie, you said that the Public Diplomacy Board has lapsed. In answer to Lord Janvrin, you said that the National Security Council has a sub-committee dealing with the emerging powers and co-ordinating that work. But that is not anything to do with the business plan for co-ordinating soft power in every country of the world, which is what was originally proposed in the FCO business plan for 2010-12. What I do not understand is where you all meet together to discuss co-ordinated activity to put our soft power plans into action. Where do your Ministers meet together? Which fora do you meet in?

Hugh Elliott: With regard to the business plan and the soft power strategy, as I indicated, Ministers decided to focus in on the Olympics—

Lord Foulkes of Cumnock: But they are past, the Olympics have finished. They have been finished for a long time. That is living in the past.

Hugh Elliott: There is a great deal of work being done to make the most of the Olympic legacy. There is a great deal of business that is being done on the back of the Olympics. We believe that it is very important to make the most of that legacy. There are a number of other sporting opportunities that we can learn from on the back of the Olympics, such as the Commonwealth Games in Glasgow, where a great deal of work and collaboration is going on across Government and with the Scottish Government. That is an ongoing area, and Lord Coe would certainly take the view that we are only halfway there—10 years in, we have got another 10 years of work to make the very most of the Olympics in London.

Lord Foulkes of Cumnock: That is sport; that is only one aspect.

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Hugh Elliott: That is one area. Another area where the Government get together to discuss and collaborate across government is in the National Security Council with regard to the emerging powers. Another area is around the GREAT campaign in order to project Britain overseas. Another area where Ministers decided that it was important for us to link up more and make the most of what Britain has to offer in order to project our soft power is around the education strand of the industrial strategy, which will be published in the near future. My answer is that there are a number of different areas in which this work is being taken forward in a highly co-ordinated way.

Lord Foulkes of Cumnock: But nowhere where all of them are being taken forward together.

The Chairman: We are pursuing two strands here and, as Chair, I am trying to think how best to develop them. One is the co-ordination, which is not only transdepartmental but ministerial and indeed the Cabinet and the Cabinet committees are involved here. We will want to pursue that, possibly, and Baroness Prosser may have a question on that in a moment. First, can we pick up Andrew Mitchell's comments earlier about emerging markets? There are reports—and indeed, ministerial utterances—indicating that our performance in emerging markets is not good, that we are behind the others; we have arrived and found the Germans already there, the French already there and so on. Lord Hodgson has great experience in this area and would like to pursue that.

Q14 Lord Hodgson of Astley Abbotts: Chairman, I have to make the declaration: I have no interests to declare, except those that are in the Register, which I do not think are particularly relevant to our discussions here. In fact, probably the nearest I get to having something to declare is the fact that my wife is a member of the Foreign Secretary's advisory panel on preventing sexual violence in conflict situations. The fact that I do not quite know what the title is shows that I am not absolutely close to it, but I probably should put that on the record.

My question has largely been forked over in the questions we have had already. In particular, it deals with building our commercial economic interests in the light of the new emerging markets: Asia, Africa and Latin America. That is a pretty broad range, and although we have been told that we have a genuine global reach, should we not be finding some focus and some segmentation in order to increase our impact using the resources that we have? It may be that bilateral, non-official things can go on elsewhere but where should the Government be focusing in a slightly narrower way, bearing in mind that, as we have been told, what appeals in Paris appeals in Riyadh? We have also heard about the success the Australians have had in building a relationship with Indonesia with student visas. There is a saying about marketing campaigns: if you throw enough mud against a wall, some of it will stick. One sometimes wonders if we are not just throwing mud at the wall and hoping that some of it will stick.

The Chairman: I think we will ask BIS to start on that but, again, it covers all departments.

Maddalaine Ansell: Yes. We do attempt to prioritise. Again, I will talk most specifically about education and science. In education, we took as our starting point the list of emerging powers developed by the National Security Council. Then we did some analysis looking at which of those countries had demographics that suggested that there would be an increasing demand of education and which of them had expressed the desire to increase the number of young people going on to tertiary education. We also thought about which of them indicated a willingness to work with the UK. From that, we developed a list of eight countries and one

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region—the Gulf—in which we are prioritising our efforts to co-ordinate all the major players that represent the education sector so that we can go together and demonstrate the breadth and depth of the UK education system. Around the edges of that, many universities are pursuing their own niche interests according to their own business plans but we are focusing our co-ordinated government effort on those countries and markets. Most recently, David Willetts led what we call a system-to-system mission to Mexico and Colombia, where he talked about, for example, supporting them in the commercialisation of science, which is a key interest in both those countries; how we could support them to create government-sponsored scholarship programmes; and how we could make it easier for them to send large numbers of their best students to the UK to study.

On the science side, we are still going through the process, working with various learned people from the scientific community—the Royal Society, other learned bodies, the research councils, et cetera—to think about how we should prioritise in our scientific bilateral engagement. Here we are thinking about the importance of maintaining the excellence of the UK research base by working with the best in the world—so we should not forget our traditional partners such as the United States, France, Germany and Japan as we think about the emerging powers—as well as about the kind of engagement that we should have with different emerging powers. There are some, such as China, Brazil and India, that are excellent in many fields of research and we would want to work with them to maintain our own excellence, but there are others that I perhaps will not name here that are not so strong yet in science and research. We have done analysis around what it is about the UK that is attractive to them and what might be a golden key to unlock other kinds of engagement, and there we are thinking more about how we can support capacity-building or other kinds of scientific research collaboration. On the scientific side, it is still somewhat a work in progress but we are making quite good progress with our stakeholders.

The Chairman: Lord Hodgson, do you want to pursue that?

Q15 Lord Hodgson of Astley Abbotts: If the other departments think that they have a series of focused programmes, it would be helpful if we could know about them, in so far as we can, because otherwise we are going to be up here at 30,000 feet but what we are trying to do is get down to 500 feet to see some quite precise deliveries and results. If these are on the record it would be helpful for us to see them.

The Chairman: Do you have a comment on that, Mr Mitchell?

Andrew Mitchell: Would it be helpful for us to write or to answer now?

The Chairman: Yes, it would be helpful to write. That is the way to do it, possibly.

Lord Hodgson of Astley Abbotts: Yes, it would be very interesting to see whether all departments are concentrating on the same markets.

The Chairman: Baroness Prosser, we have given this co-ordination issue quite a beating. Is there anything you want to add? There are examples of where one department seems to be working against another; for instance, in visas.

Baroness Prosser: Hopefully rather quickly, Chairman, because we have already had a bit of a run round the bush with this. I got the impression that you were slightly defensive about co-ordination. I hope you are not going to be because it seems to me that unless there is an overarching view in Government as to what each of you is getting up to something is going

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to fall between the gaps and/or one or t'other of you is going to be doing things that somebody else is doing, because they are all interrelated in very many ways. I was hoping that you were going to be able to tell us that there is some Government structure led by one or other of your departments that makes sure that that does not happen, but it appears that you are not able to say that. Perhaps you can enlighten us.

Andrew Mitchell: I hesitate to refer to the National Security Council again but it is quite important to bear in mind how the National Security Council deals with particular questions, not so much thematically but, for example, looking at a relationship with a country with which we have a long, strong and deep relationship that spans the interests of multiple Government departments. It is in the National Security Council that that variety of interests is brought to bear. The intention that Ministers have in dealing with issues in that way is precisely the one that you identify: namely, to ensure that we are not dealing separately in silos with issues associated with each of those countries but that the relationship as a whole with that country is dealt with in one place by the entire ministerial team. Now, there are certain sub-committees of the National Security Council that take particular issues away and work on them in more detail, but again on the basis of co-ordination between Government departments. As the Foreign Office's director for prosperity and broadly responsible for the global economy, I spend a significant amount of my time in co-ordination with other Government departments. Several of the units that I am responsible for are joint units with other Government departments. Co-ordination across Government is part of everything that I do and I could not do my job were I not co-ordinating with other Government departments. I would not underestimate the impact that the National Security Council has in defining the terms of that co-ordination.

The Chairman: Does the NSC meet regularly?

Andrew Mitchell: The NSC meets on a very regular basis, yes.

The Chairman: What, once a month?

Andrew Mitchell: I am not entirely sure; I would have to check that. But certainly the NSC and the various Cabinet committees and the NSC sub-committees meet on a very regular basis. They determine, for example, the pace and the scheduling of the work that we do on the emerging powers.

The Chairman: Right, I think that we should move on because we have taken a lot of your time and you have been very forthcoming. Thank you very much. Baroness Morris, did you want to add a word?

Q16 Baroness Morris of Bolton: Thank you. First of all, I declare my interests as set out in the Register. With relevance to this Committee, I am the Prime Minister's trade envoy to Kuwait, Jordan and the Palestinian Territories. I am chairman of the Conservative Middle East Council. I travel extensively in the region and declare all my trips in the Register. I am chancellor of the University of Bolton, which confers degrees around the world. I am president of Medical Aid for Palestinians, president of the World Travel Market Advisory Council and, until recently, was a trustee of UNICEF UK.

The Chairman: Thank you.

Baroness Morris of Bolton: I think that covers it all. I would like to move to a part of the world where I hope we have a head start in soft power, and ask how your departments are

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taking advantage of the UK's relationship with Commonwealth countries. In relation to a question Lord Hodgson asked, Mr Nichol talked about the GREAT campaign and how it was having an impact on international students. But we know, particularly in India, that there was very much a message going out that the UK was closed for business, that you could not get a visa. The Lord Chairman touched on whether or not one department is sending out one message but a different message is being received from another. Perhaps you could specifically touch on that when you answer, please.

The Chairman: After Mr Nichol, we will ask Dr Hendrie how DfID relates to the Commonwealth in particular, because it is a very important aspect.

Keith Nichol: Thank you, Lord Chairman. In terms of our engagement with the Commonwealth, again working across Government, obviously we very much have one eye on the Commonwealth Games next year in Glasgow. All our sporting activity is very much a part of that. As with the Olympics, there will be a cultural festival around the Commonwealth Games. In that multilateral context, the sectors for which DCMS is responsible are very much joined up.

In terms of individual countries within the Commonwealth—for example, India—it may not have received much attention when the Prime Minister went to India recently but the British Council is initiating a five-year programme of cultural exchanges with India under the title “Reimagine”, and that is very much what we are trying to do now in building on multiyear programmes rather than a single season or year of activity. It allows cultural organisations to plan a bit further ahead; for example, next year has recently been declared the UK-Russia Year of Culture and I am sure that it will be a tremendous success, but it is quite late in the planning cycle for a cultural body to develop a programme of activity for the next 12 months. This “Reimagine” programme with India will cover a five-year period and we think that is a more sustainable way in which to build relationships.

Baroness Morris of Bolton: But can you just touch on the student visas, because it is a terribly important part? Here we are: we are trying to encourage more students to come. I absolutely understand that we have to protect our country and make sure that the people who come are coming here for the right reasons. We had the GREAT campaign yet, very much in India particularly, the message went out to Indian students that the UK was closed for coming, and numbers dropped considerably in nearly all UK universities.

Keith Nichol: I will make one point on that and, if I may, I think my BIS colleague may be able to enhance my answer. This is where it helps sometimes to look through the other end of the telescope. This cross-government co-ordination comes together in every country through our ambassador or high commissioner. In India, it is the high commission that brings together the visa services, the FCO team, the Intellectual Property Office, British Council and UKTI. In that challenge, which I do recognise around visas in India, it is our high commissioner's role to address the perceptions around visas.

Maddalaine Ansell: Yes, we very much recognise the issue of falling applications from Indian students following some of the unhelpful rhetoric. Under the GREAT campaign, the Indian high commission have bid for some funding in order to promote the message that international students are welcome to come to the UK, and that there is no cap on the number of legitimate students, and to explain the post-study work rules. We hope that will help to correct some of the amplification in the Indian press of some of the issues.

Additionally with India, we have so far a rolling five-year programme called the UK-India Education and Research Initiative, where we work closely with the Indians to support

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research collaborations, to work through issues like mutual recognition of qualifications, and also to deal with issues like that. We are about half way through the second five-year programme and just about to go into the evaluation of that to see whether it is something we should continue for a third term, should funding be available.

Q17 The Chairman: Dr Hendrie, would you just like to comment, particularly on the Commonwealth aspect?

Barbara Hendrie: Yes, thank you. We have a particular commitment to expand our support for 13 of the poorest Commonwealth countries, because some of the countries in the Commonwealth do face some of the biggest challenges on various dimensions of poverty. We will be increasing over the period to 2013/14 from £1.5 billion to £2.2 billion spend in Commonwealth countries. We also fund a number of different programmes run by the Commonwealth Secretariat, including core funding for the Commonwealth Secretariat itself. Total funding of Commonwealth programmes is in the order of £35 million. Within that, core support to the secretariat is about £11 million, so we have an expanding programme of inputs and development co-operation with Commonwealth countries and the secretariat.

We are also working very actively to build development partnerships with South Africa and with India, where we are graduating, as you will know, our bilateral aid programmes, but still seeking to develop partnerships with those countries, particularly focused on third countries, mainly in sub-Saharan Africa and south Asia, where we would help provide a platform for India and South Africa to bring their own development expertise to poorer countries. So we are seeking to thicken the relationship there once our bilateral programmes close.

Also, we work with the Commonwealth Secretariat to facilitate their engagement with different multilateral forums—for example, the G20. Alongside the Francophonie, we seek to enable the Commonwealth to engage with the development working group of the G20.

Finally, we have been very active at the UN General Assembly in New York, to help broker a broader conversation—across Commonwealth countries in relation to the negotiations that will happen at the UN around the next development framework, including a common approach informed by our common history and values to development.

Q18 The Chairman: Just to carry on from that, I am going to ask Baroness Goudie to ask another question, but the two are linked. The Commonwealth, after all, has got this working language, which is ours, and that contains its own attitudes and its own DNA, and ought to give this country, as Baroness Morris rightly said, a huge advantage in promoting our soft power relations with what is a third of the entire planet—two and a quarter billion people. At the same time, the connectivity is now absolutely total. It is not just a question of speaking the same language; it is instant and continuous connection at every point, every day, between every level of activity between all these countries. It is a vast new tableau. Are we—this is Baroness Goudie's question; I must not put it for her, but that is where we are going.

Baroness Goudie: I am very concerned. I do not think—I may be wrong—that we are communicating with all the countries that we should be communicating with. Also, thanks to technology now, we should be communicating with all the organisations—you have mentioned a few this afternoon; for example, there is the ILO, there are some of the organisations in Geneva, and some of the other organisations around the UN. Not only could we be selling our own ethical policy about how human rights should be run—about how the supply chain through these factories that Baroness Prosser has mentioned—by

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asking countries and companies to sign up to the Athens agreement which this Government, through the Home Office, has been pushing, but by doing this we would be able to give a better chance for companies from the UK who are international to do trade with those countries. I know that you do not like the pushing of companies, but we have to do this, including when there is a chance to allocate our companies to the new up-and-coming superpowers and the BICS countries.

At the same time, also around ethical matters, you were talking about selling education. It is not just senior education you need to be selling. We need to be selling the point of education of boys and girls, and also around violence. DfID is working with some NGOs, but we need to encourage the rest of the world to work with us through soft power. Australia in particular is doing a huge amount of work down in that part of Asia. We should be picking other parts of the BICS world—these other emerging powers—where we can work and we can then be seen to be offering something, and they will want to trade with us or buy from us in terms of our education, in terms of our law, in terms of how their parliaments should be run and so on.

We have got this opportunity, through the new wave of technology, which is moving very fast. It is moving faster than we can actually keep up with, but we have to do it, because other people are in there already, or pushing themselves in there.

The Chairman: This is a completely new world, is it not?

Baroness Goudie: Absolutely.

The Chairman: I would love to hear just a few comments from our team on that fact. Mr Eric Schmidt of Google told us that there are more mobile telephone subscribers on this planet than there are human beings. Work that one out.

Lord Foulkes of Cumnock: I have got three.

Q19 The Chairman: This must change all your work in all your departments, and I think that Baroness Goudie has really put her finger on it. Who would like to comment? Mr Elliott again—let us start with the FCO.

Hugh Elliott: I am very happy to kick off, my Lord Chairman. It is a fascinating and very wide-ranging question. I will attempt to give one illustration to talk to the issue of networks, partnerships, breadth of relationships and how we might articulate it and link it up with UK values, with a specific example around the arms trade treaty and how we are involved in that process, which is perhaps illustrative of the sort of way in which we are trying to make the link. Then I will speak briefly about what the Foreign Office is doing to integrate and professionalise ourselves in the use of—

Baroness Goudie: And cluster bombs. You did a lot on cluster bombs. It made a big impact, the work you did on that.

Hugh Elliott: —digital platforms.

On the arms trade treaty, the campaign that the British Government led is a very good illustration of the power of relationships and networks, because it was an issue that, in a sense, was brought to us by the NGO movement, saying, “Why don’t you do more on this?” It was an issue on which we went abroad and looked at the sort of international partnerships and the sort of partners that we might have in order to help develop this in the

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international agenda. We ended up with countries such as, from the top of my head, Japan, Argentina and South Africa, countries with very different sorts of interest but a common set of goals on this particular issue, and with whom we decided that it would be important for us to lead.

We collaboratively put together a process, recognising that an issue like this needed a lot of energy and oomph behind it, so it was a process that very much we were absolutely instrumental in leading. All the time, we were building relationships with business, with NGOs, with the voluntary sector a lot, and having a lot of discussions all along the way. And that was not just in the UK, but globally and—to the aspect of your question about United Nations institutions—obviously the United Nations was absolutely crucial to all this.

In the end, cutting a long story short, that very open, collaborative, persistent, determined and focused approach, taking into account all those sorts of networks, did actually deliver a very concrete result in the form of the arms trade treaty, which was a tremendous success for all of those involved. I think that illustrates part of your point.

Obviously the digital area is crucial now for being able to reach all the people who we need to reach, whatever country they are in. I shall just give you a few examples of how we in the Foreign Office are professionalising our implementation of our digital strategy. We have set up a special unit to help us to do this. To take social media as a leading example of how well we are doing this—we are probably doing it just about as well as anybody in the world; perhaps the United States is a little bit ahead, as it has considerable resources to do this—we have 120 official Twitter channels around the world around our network and 120 Facebook pages. All our Ministers are on Twitter. Fifty of our ambassadors, as the face of Britain overseas, are on Twitter in addition to the official embassy accounts, personally being involved and engaged with their constituencies. A particular example I would cite would be Lebanon, where our ambassador, Tom Fletcher, is extremely active in this area and reaching people whom traditionally diplomats might have struggled to reach.

This requires a very considerable investment in upskilling and training. At our recent leadership conference that we hosted for all our ambassadors around the world in London a few weeks ago, we held a special training session for ambassadors, which was massively oversubscribed. There was huge interest in this. There is complete awareness this is just going to be a natural way in which we need to do business. This is all part of the implementation of the Foreign Office's *Digital Strategy*, which was published at the end of last year in December 2012, which sets out—and we can provide the Committee with this if it would be of interest—a very detailed process of transformation of how we do foreign policy to ensure that we make the very most of social media in the ways that we have to reach different parts of the world.

The Chairman: I think, actually, this Committee should be circulated, if possible, with that document, which is clearly on a central part of our thinking.

Hugh Elliott: Certainly.

Q20 The Chairman: Very well. Are there any other points anyone wants to make? Lord Janvrin, you wanted to come in particularly on the inward-facing aspect of the scene. Or—

Lord Hodgson of Astley Abbotts: Promotion of cultural norms came up as part of your response to Baroness Goudie, and indeed as part of her question. This may sound a trifle uncompromising; it is not meant to be. I was in Rio the day that Jean Charles de Menezes was shot in the Tube here in London, and there was a stupendous amount of press coverage

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in Brazil. My host, who was an Anglophile Brazilian businessman said, “It is because we are shocked that you haven’t lived up to your past standards, but it will die away because we believe generally in Brazil that British justice will be seen, there will be an investigation and the truth will come out. In any case, by the by, the Rio police shoot 1,000 people a year and nobody turns a hair.” But he went on: “Your reputation has been damaged by a completely different thing.” And I said, “Oh, what is that?” He said, “Your ambassador here is gay, and he has insisted on bringing his partner with him and he is being presented at events.” This is an unfortunate thing to say, but he clearly thought this was very, very serious in a conservative Catholic country. I understand our cultural norm—I am not resiling from it—but we have to think about to what extent we wish to push it on to other people as part of our soft power developments.

The Chairman: Can we generalise that question, rather than be specific?

Lord Hodgson of Astley Abbotts: Of course. I am not trying to say—

The Chairman: I would prefer it if we generalised. To what extent are we in danger of pushing and imposing our own values, which we adhere to and cling to very strongly, a little too readily on others? Can I put it in more general terms? What do you think? Is that a fair criticism, Mr Elliott?

Hugh Elliott: I think it is very important that we do make the most of our values. We believe that British values are very strong, and we do not believe we should compromise our values in the exercise of our foreign policy. That said, of course we need to be sensitive to how, in seeking to achieve what we are trying to achieve, our actions come across in specific cultural contexts.

Q21 The Chairman: Lord Janvrin, I have one more comment after you, but you ask the penultimate question.

Lord Janvrin: I want to come back to the question of a wider strategy. Forgive me for doing so, but I think it is very important, and I will explain right at the end. I can see that in terms of interdepartmental co-ordination, it works probably extremely well through the National Security Council, et cetera—you have explained that. But you have also said—quite rightly in my view—that soft power is often about what other non-governmental agents do and how they join, if you like, in trying to support and indeed help the government policy, whether it be the arms trade treaty, et cetera. There is therefore in my view a government leadership role for a lot of non-governmental players and agents in this. I wonder whether, to have if you like the best leadership role, we need an overall strategy that people know about. In other words, this is not interdepartmental co-ordination; this is a leadership role. My question to you is: would you find it useful for this Committee to think in terms of an overall soft power strategy?

The Chairman: There is a question. Would anyone like to start on it? Mr Elliott again, or Mr Mitchell, or the cultural side?

Hugh Elliott: I would be happy to—

Lord Janvrin: I would quite like to hear other people’s views as well. Poor Mr Elliott has been fielding—

The Chairman: If I could just add: a number of other bodies, not just this Committee, are looking at very much that question as well. I think a report is about to come out from the

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British Council on these things. The British Academy—or is it the Royal Academy?—is looking at them as well. There is a new sort of seriousness in international cultural relations which I think we have got to somehow reflect more effectively. I think a great deal hangs on your question, but it may not be possible to answer it in the last few minutes.

Maddalaine Ansell: Could I give a short answer? A couple of years ago, the National Security Council Emerging Powers said that it would be very good if there were a sub-committee involving the wider stakeholders around education and research. We set up such a sub-committee and looked at how we could co-ordinate across the piece our activities with those in universities, colleges, research councils, et cetera, and other Government departments. What we found was that the meetings happened, but they were not as focused as people would find most useful. What we ended up doing is splitting it, so we now have one that focuses on international education, and a different one that focuses more on science and research. I suppose for me one of the questions is whether it is actually more useful to take smaller topics rather than a whole piece, so that the stakeholders who turn up are interested in the whole of the meeting and feel that they have something to say, rather than are sitting there kind of silently while we are talking about trade aspects or cultural aspects, when in fact their area of expertise is science or education or arms trading.

The Chairman: Right. Mr Nichol, do you want to add something?

Keith Nichol: I think from a cultural perspective Lord Janvrin's question is very much in sync with my Secretary of State. She has observed that, culturally, we have this fantastic web of activity all over the world. We have probably about 1,400 arts and cultural organisations active in all sorts of countries but, until very recently, we had no coherent sense of where they are going or what they are doing. So what we are trying to do now—I hope it is not an heroic exercise—is to start to map that activity and to see where it is possible to align it with wider HMG and UK interests. That is one way of aligning cultural activity among the cultural players with business. If we know that the Royal Ballet is going to be in Brasilia in 2015, it may be that there are ways in which we can align that activity with trade and commercial activity in a way which makes the whole greater than the sum of the parts. In that respect, there is an opportunity to do that but, as I touched on earlier, we also have to respect the arm's-length principle and not prescribe which cultural bodies go to which countries, so there is a balancing act for us there.

Q22 The Chairman: That is a very useful and important answer. I am going to end, because we have had quite a session, with a question which probably lies on the frontiers between ministerial responsibility and official responsibility, and therefore you are perfectly entitled to duck it and say it lies on the other side of the fence. We have talked about all the tremendous efforts we are doing in all these fields—cultural, diplomatic, scientific, medical, educational—and it is very exciting and admirable, but we do also know that we have some pretty sour and difficult relations with some countries. Our Caribbean friends are forever raising the advanced passenger duty issue, and it is very sore and causes many problems. We only have to have a moment's discussion with our Chinese colleagues here in town or anywhere and they will tell us that our links with the Dalai Lama are absolutely weakening and destroying everything. I do not want to go into these questions but just to ask you: is it the case that some of these hot political issues are making the projection of our soft power much more difficult? If it is, are we satisfied that there is the right feedback inside the Government between those of you who are trying to do this job and the political and diplomatic forces that sometimes seem to be working completely the opposite way? Does it worry you?

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Andrew Mitchell: I am not sure which side of the line it really does fall on, but I will venture an answer. In so far as the way that we act in the world is consistent with our values and our principles, in a sense our role is to ensure that the work that we do takes account of the shocks and the various misdemeanours that this occasionally throws up. I would say that we do of course attempt to do that in the Foreign Office, and certainly as a former head of mission myself I certainly saw my role overseas as helping to anticipate the risks associated with that kind of a potential problem, and then to manage those risks once they had transpired. But if I can say that that is in the ordinary course of diplomacy—it has happened for 100 or 200 years and it will continue to happen—I guess it is about being true to your principles, sticking to your plan, and managing the impact that that has.

The Chairman: I think that is a very fair reply to—I agree—a slightly difficult question. Have any of my colleagues got any final point they wanted to put? No? I think in that case I would like to thank all five of you very much indeed. You have been very forthcoming. It has raised perhaps rather more questions than it has all answered, but those are matters for us to pursue in this Committee in future sessions, so thank you all very much indeed. We are most grateful. Could you just leave, because we have got just two or three minutes of private deliberation. Could I ask colleagues to stay for a second? Thank you very much.

Government (Department for International Development) – Supplementary written evidence

In the oral evidence session on June 10 2013, Lord Forsyth of Drumlean, asked under Question 5: “Can you focus on the outputs and tell me specifically what your departments have achieved in enhancing the UK’s attractiveness and influence abroad and in furthering the UK’s priorities, and how you measure that?”. In her answer, Barbara Hendrie said DFID would be able to supply detail of the development outputs it has achieved.

This note provides information on the outputs of DFID’s aid programme. This illustrates DFID’s contribution to supporting the achievement of the Millennium Development Goals, a commitment set out in the Coalition Agreement. The information is taken from the DFID Annual Report and Accounts 2012-13 which were published and laid before Parliament on 27 June 2013¹¹¹.

DFID’s impact on the attractiveness and influence of the UK abroad is an area of increasing interest to Ministers. The Department is therefore considering how to measure its contribution to ‘soft power’ in a more systematic way.

DFID’s contribution to development outputs

Chapter Two of the Annual Report presents the results achieved at each level of DFID’s Results Framework. Level two of the Results Framework measures DFID’s contribution to development results. The indicators at this level measure the outputs that can be directly linked to DFID bilateral programmes and projects and to its multilateral portfolio. A list of results at this level is presented in Table 2.1 of the Annual Report.

Examples of DFID’s results up to and including 2012-13 are:

- 30.3 million people with access to financial services, compared with 11.6 million up to 2011-12;
- 19.6 million people with access to a water, sanitation or hygiene intervention, compared to 13.8 million up to 2011-12;
- 12.9 million children under 5 or pregnant women with nutrition programmes, compared to 5.5 million up to 2011-12;
- 1.6 million births delivered with the help of nurses, midwives or doctors, compared to 1.1 million up to 2011-12;
- 22.4 million insecticide-treated bed-nets distributed, compared to 12.6 million up to 2011-12;

¹¹¹ DFID Annual Report and Accounts 2012-13 are available online at the following link. A hard copy has been placed in the House Library. <https://www.gov.uk/government/publications/dfid-annual-report-and-accounts-2012-13>

Government (Department for International Development) – Supplementary written evidence

- 22.8 million children immunised against preventable diseases, compared to 12.2 million up to 2011-12;
- 8.7 million people reached with emergency food assistance.

The UK has also made significant progress towards the 2015 targets which DFID set out in March 2011. Highlights include support for:

- 33.4 million people to have choice and control over their own development (2015 target, 40 million);
- 6.1 million people with cash transfer programmes (2015 target, 6 million);
- 5.9 million children in primary education per year (2015 target, 9 million);
- 3.8 million people to improve their rights to land and property (2015 target, 6 million).

DFID has developed and published methodological guidance¹¹² on each indicator to help ensure consistency of measurement across countries and permit meaningful aggregation of results. The indicators included above reflect those outputs where it is possible to aggregate results across different countries. The indicators do not reflect all the results that DFID is delivering, and results that are vital to each country's development may not be covered here simply because they cannot be aggregated across countries. Where multilateral results are included, these capture key outputs as reported by the multilateral organisations themselves.

DFID's operational effectiveness and performance against its Structural Reform Plan

Level three of the Results Framework monitors how well the Department manages the delivery of results and ensures value for money. DFID reports regularly against the following performance areas:

- Pipeline delivery: data on DFID's pipeline of programmes (those programmes either approved or under design) to help assess whether DFID has sufficient good quality plans in place to ensure that it will achieve its results commitments;
- Portfolio quality: a measure of the extent to which DFID's interventions are on track to deliver their expected outputs and outcomes;
- Monitoring and evaluation: data on the extent to which DFID is actively reviewing its programmes and learning lessons for the future;
- Structural Reform Plan: data to assess how well DFID is delivering against its corporate objectives and areas prioritised by the Coalition Government.

¹¹² The methodology notes may be found here: <https://www.gov.uk/government/publications/dfid-annual-report-and-accounts-2012-2013-methodology-notes>

DFID's Structural Reform Plan (SRP) is part of its Business Plan for 2012–15 which outlines the Coalition Government's vision for development up to 2015.¹¹³ During 2012–13, DFID performed very strongly in implementing its structural reform priorities: 22 actions across all six Coalition priorities were completed over the course of the year, 20 completed on time and two actions completed in advance of their end dates. Further information on DFID's performance against its SRP may be found on Table 2.3 of the Annual Report which is also attached to this note.

July 2013

¹¹³ The DFID Business Plan may be found here: <https://www.gov.uk/government/publications/department-for-international-development-business-plan-2012-to-2015>

Government (Foreign and Commonwealth Office) – Supplementary written evidence

19 June 2013

[Dear Lord Howell]

Thank you for the opportunity to give evidence to the House of Lords Committee on Soft Power and the UK's Influence on Monday 10 June. At that session I undertook to write to the Committee in response to Lord Hodgson of Astley Abbotts' question (Question 15) concerning Departments' focused programmes building our commercial and economic interests in the light of the new emerging markets.

In answer to Question 12 I referred to the Government's emerging powers initiative to strengthen relationships with fast growing economies, coordinated through a sub-committee of the National Security Council, and to the Foreign and Commonwealth Office's strengthening of its diplomatic network, deploying more staff to the fastest growing regions, upgrading existing posts and opening new ones. An Emerging Powers Department has been set up in the FCO to support the cross-government initiative. It works with overseas Posts and existing thematic/geographical structures in London to strengthen bilateral relations with the emerging powers. The Department helps to troubleshoot and support Departments across Whitehall to ensure that emerging powers are prioritised for funding, Ministerial visits, and in policy decisions.

The Emerging Powers Department has a Programme Fund of around £500,000 for 2013/14 that will be targeted at improving the UK's bilateral relations with some of the world's fastest growing economies. The fund covers projects that contribute to the four strands of the National Security Council's Emerging Powers strategy: Trade and Investment; Promoting the Rules Based International Economic System; people to people links; and security. The objective of the Emerging Powers Programme Fund is to help to strengthen our overall relationships with the emerging powers by building closer links between the people of the UK and the emerging power nations. In particular, we are looking to deepen and embed the UK's links with current and future policy thinkers, decision-makers, role models and opinion formers – from young entrepreneurs and experts in new technology to influential talk-show hosts, sports stars, bloggers, cultural figures and diaspora leaders.

A new programme set up by the FCO this year which will help strengthen links with the emerging powers is the Future International Leaders Programme. It comprises visits to the UK for talented individuals from around the world, who have been selected for their potential to become internationally influential leaders in politics, civil society, international organisations, global business or the media. The programme is a long-term investment in the UK's relationships with key partners and an opportunity to engage with the leaders of tomorrow. During a group programme of about a week the visitors engage at a senior level with government, Parliament, media, business, education, the arts and civil society.

I hope that this adequately answers the question as far as the Foreign and Commonwealth Office is concerned. Please do not hesitate to contact me if you require any further information.

Andrew Mitchell
Prosperity Director

21 June 2013

[Dear Lord Howell]

Thank you for the opportunity to give evidence to the House of Lords Committee on Soft Power and the UK's Influence on Monday 10 June. At that session I undertook to write to the Committee to give further information on three issues.

Firstly, Lord Forsyth of Drumlean asked about policy successes and failures by the Foreign and Commonwealth Office and how these were measured. Our recently published Departmental Improvement Plan, a copy of which is included with this letter, assesses our performance against key security, prosperity and consular policy priorities. As I mentioned at the evidence session, our Annual Report and Accounts 2012-2013 will give further details about our performance over the last financial year. You will be sent a copy of this when it is published, before the summer recess.

You asked about the involvement of UK military in Afghanistan in civil power, civic operations and social reconstruction and which department would have overseen this. The UK military would tend to term such activities as stabilisation operations. Such operations, as they exist in Afghanistan, are primarily conducted by the Military Stabilisation Support Group (MSSG) which has supported the UK led Provincial Reconstruction Team's (PRT) efforts in Helmand since 2006.

MSSG is coordinated by the Ministry of Defence and is formed from both regular and reservist forces. It has supported the PRT and the UK Stabilisation Advisors in each district of Helmand Province working with the local Afghan authorities to help develop Afghan capacity to build their own infrastructure, government institutions, public services and economic development. This is an invaluable part of the UK's integrated approach to supporting the long term success of Afghanistan. MSSG's stabilisation support activities have drawn down in line with the change in the role of UK forces from combat to providing training and support for the Afghan National Security Forces as the ANSF have progressively assumed lead responsibility for Afghanistan's security.

Finally, you asked also for a copy of the FCO's Digital Strategy, published in December 2012, which is included with this letter. The strategy sets out how we will expand our use of digital technology both in the delivery of services, particularly consular whilst continuing to provide face to face support to British nationals most in need, and in policy formulation, including delivering more open policy and transparency.

I hope this is of some help to you and the Committee. Please do not hesitate to contact me if you require any further information or assistance.

I am copying this letter to Susannah Street, Clerk to the Committee, and Úna Ryan, Foreign and Commonwealth Office Select Committee Liaison Officer.

Hugh Elliott
Director
Engagement & Communication

Government (Lt General Simon Mayall CB and Steve McCarthy, Ministry of Defence) and Nicholas Beadle CMG, RUSI – Oral evidence (QQ 42-62)

Government (Lt General Simon Mayall CB and Steve McCarthy, Ministry of Defence) and Nicholas Beadle CMG, RUSI – Oral evidence (QQ 42-62)

[Transcript to be found under Nicholas Beadle CMG, RUSI](#)

Government (Foreign and Commonwealth Office), Baroness Prashar, H.E. Mr Carlos dos Santos, High Commissioner for the Republic of Mozambique – Oral evidence (QQ 152-164)

Evidence Session No. 8

Heard in Public

Questions 152 - 164

MONDAY 14 OCTOBER 2013

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Foulkes of Cumnock
Baroness Goudie
Baroness Hussein-Ece
Lord Janvrin
Baroness Morris of Bolton
Baroness Nicholson of Winterbourne
Lord Ramsbotham

Examination of Witnesses

Paul Arkwright, Director of Multilateral Policy, Foreign and Commonwealth Office, **Caitlin Jones**, Head of the Commonwealth Team, Foreign and Commonwealth Office, **Baroness Prashar**, House of Lords, and **HE Mr Carlos dos Santos**, High Commissioner for the Republic of Mozambique

Q152 The Chairman: Thank you all very much for coming before the Committee this afternoon. We are very grateful to you. I should start with a formal point. A note on the declared interests of the Committee is, I think, in front of you. I hope it will help you to understand where our interests lie and the issues that we are pursuing. This is quite a short session. We want to focus on two major issues, although there are many subordinate aspects to them, in relation to the Commonwealth. The first is what value you see to member countries, particularly to this country because we are a UK Committee in the British Parliament, of the promotion of interests, reputation, so-called soft diplomacy, trade and other interests by being members of the Commonwealth. How does it help the members, and how does it help this member in particular?

The second issue, which flows from that, is what soft power, or diplomatic influence and pressure, do you think the Commonwealth as an institution and an organised membership of 53 countries—I think it is 53 as of this morning—has in the world and what weight it carries. So there are two questions. If we can, let us stick mainly to the first one first, giving in particular your very expert views on how Britain fits into this nowadays first. We will then move on to the broader question of the Commonwealth's own weight and effect in world affairs. That is my menu. Who would like to volunteer to start? If there is no volunteer, I

shall name one of you. Shall we start with Baroness Prashar, because she has been involved in these things for a long time?

Baroness Prashar: Thank you, Lord Chairman. I thought you might point your finger at me first. First, I am very glad that you are looking at this particular issue: “The role of the Commonwealth in relation to Britain’s soft power”. Let me first say what I think soft power is. For me it is a kind of purposeful engagement to attract and influence in order to shape the environment in which we are operating. The world is changing, and fast. The situation is very fluid, and it is becoming a world of networks. In that sense, Britain has to find its place in that landscape and decide how we engage with this changing world. To me, the Commonwealth is essentially a network organisation. Its strength is that it is not just an intergovernmental organisation; it is a Commonwealth of people. You will see from my kind of engagement that it has been mainly through civil society organisations. Therefore Britain can engage on a whole range of issues, may they be cultural, diplomatic, trade, business, educational, through the Commonwealth. I would like to see Britain playing a much more proactive role. Having said that, I am conscious, Lord Chairman, that you have been quite active in promoting that.

I do think that there is ambivalence on the part of the UK about the Commonwealth, which is partly a certain diffidence about the post-colonial legacy but also because we do not want to be seen as the place where the secretariat is and as a dominant body in that. I think the time has come to do what I have called an unsentimental review of what the Commonwealth has to offer and demonstrate how we can begin to engage with it. I am conscious that the Royal Commonwealth Society, where I was a chairman and then a president—of course, you are now the president—has produced reports trying to identify where trade is a big factor in a number of the emerging economies within the Commonwealth. Secondly, there are certain advantages to the Commonwealth, and we began to demonstrate where the Commonwealth adds value. It seems to me that we have to look at those. I will come in later questions to the sort of engagement and reform that is necessary and where Britain can play a role in engaging with the Commonwealth, in a positive way, in order to make sure that the right kind of reform takes place, so that the Commonwealth’s potential can be fully realised.

The Chairman: Thank you. That is very helpful indeed. We have two representatives from the Foreign and Commonwealth Office here. Mr Arkwright, your overview, your bailiwick I suppose, is of course multilateral organisations generally, of which the Commonwealth is clearly one. Is it just one, or is it rather more special?

Paul Arkwright: It is different. I think it is special, if I can put it that way. To pick up what Baroness Prashar said, it is a unique organisation that has particular core values that are spread throughout the countries that are represented there and that are, I think, a very powerful vehicle for us, the UK, to spread those core values. I would pick up what Baroness Prashar was saying about the people-to-people links. It is important at an intergovernmental level, as we will see that at the coming CHOGM in Sri Lanka, but perhaps more important than that it is important because it brings people together in different fora, whether in the youth forum, the people’s forum or the Commonwealth Business Council—trade is another area. It provides a kind of facilitation role for bringing people together, and I think that when you bring people together on the basis of those core values, something very powerful can happen. What is important, and again I agree with Baroness Prashar, is that we the UK have a very clear understanding of where our role in that can add value. We can come on to discuss particular examples of that.

I would describe the Commonwealth as an organisation, among the many that I cover in my current role.

Q153 The Chairman: Thank you. High Commissioner, in this first part of the discussion we are discussing Britain's affairs more. Perhaps you are not quite as familiar with the Commonwealth, but you have been an ambassador in all sorts of countries in Europe and your country is a marvellous example of somewhere that after all was not part of the original old British Empire link at all, or of the British Commonwealth. Yet you have not only adhered to the Commonwealth but proved to be extremely dynamic and influential, and we all watch with great admiration as Mozambique advances its position in the world. How do you see yourselves in the Commonwealth? What gain are you getting? Give us a little glimpse of how you see us as well.

Mr Carlos dos Santos: Thank you very much, my Lords. Let me start by saying how grateful and appreciative we are to be invited to this Select Committee and to be involved. We value your work on soft power. We think it is a very important concept, as developed by Professor Joseph Nye. We are looking for the more positive side of soft power, because it can also be used on the other side to get things the wrong way.

For Mozambique, being part of the Commonwealth is, I think, special. We find a new identity, which we did not have before, of belonging to an association that is based on the common values of development, democracy, the rule of law and human rights, that we share. We also value the fact that the diverse membership of the Commonwealth is recognised as a wealth in the organisation, in the sense that small and large countries, developed countries and less developed countries work together in solidarity. There is concern for the most vulnerable states. We have a focus on small states, in the strategic plan that we have been discussing, and we have a very particular focus on specific areas.

Mozambique values work in the social area as well, and we have made this vehemently clear in discussions on the strategic plan. Some countries were saying that education and health, for instance, should be outsourced because we do not have competencies in the Commonwealth, and we said no. We think that is very well appreciated by many in the Commonwealth, and is concrete; the Commonwealth can be identified with scholarship and other educational programmes. We value the focus on youth, which is very important, and gender issues. We also value the Commonwealth Foundation work with civil society; it is quite involving.

We think the UK has done a great deal in the area of soft power. I was just reading some notes, in preparation for this meeting, which say that the UK is actually considered to be on top of the soft power index. If the UK continues to do the sort of cultural things that it has done in the past and does things in a way that attracts people to UK universities and things like that, the UK will continue to be a valued partner. In the Commonwealth, everyone, including Mozambique, wants to be a very good partner of the UK because of what it has to offer.

I would just like to add the caveat that I added to my notes when I was preparing for this meeting, which is the issues linked to immigration policies and the way the UK deals with students who are candidates for universities here. If this is not done properly, it will decrease UK's attractiveness, and it is starting to be like that. I was not thinking of the good news that came from Beijing—that there will be a facilitation of visas—when I was jotting down my notes, but that is a good approach: facilitating people to come here and welcoming them. Of course, you do not want to attract terrorists or other such people, but the majority of people who come to the UK are good people, so they should be welcomed.

Those would be my initial reactions.

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The Chairman: Thank you very much indeed for that. I am going to come to Caitlin Jones in a moment as well—our fourth witness today—but there are some questions first. Lord Foulkes wanted to intervene.

Q154 Lord Foulkes of Cumnock: Thank you, Lord Chairman. I wonder whether, perhaps on both sides of the table, we are being a bit starry eyed about this. Let me mention four things. The Gambia has just announced that it is leaving the Commonwealth. I have just come back from the CPA conference in Johannesburg, and we saw really very strong tensions between the old and the new Commonwealth. At CHOGM, issues are going to be raised about human rights in Sri Lanka. The OAU has just said that African countries are no longer going to pay attention to the International Court of Justice. Surely we have to be a bit more realistic and imaginative and take a different approach from what you suggest. Do you not think you have been a little complacent and taken things rather more rosily than the reality of what is happening in the Commonwealth now?

The Chairman: Caitlin Jones, you are on the front line of this. Would you like to answer it?

Lord Foulkes of Cumnock: That is the easy question.

Caitlin Jones: I take the easy ones.

The Chairman: Then I am going to bring in others as well. Would you like a shot at that question first?

Caitlin Jones: Thank you Chairman. Lord Foulkes, you make very good points, of course. Every organisation faces challenges and differences of opinion between member states, and the Commonwealth is not unique in that at all. The important thing is that the Commonwealth can come together and work together to address the issues that it faces.

Lord Foulkes of Cumnock: How?

Baroness Goudie: They are certainly not doing that now.

Lord Foulkes of Cumnock: All of you have said that you can do that, but you have not given us specific examples.

Caitlin Jones: I will, if I may, take the example of the CPA conference, which of course I was not at. I understand that some very knotty issues were addressed at that conference, and that there were some very frank debates on a number of difficult issues. I am aware of those debates travelling as a thread through a number of layers of the Commonwealth. We have discussed the layers that exist in the multilayered organisation. The fact that those debates exist in the CPA conference, in different parts of civil society and at the intergovernmental level, and are taken forward is very important, because they touch every level. We would not expect to make a difference overnight on the knottiest issues. We have to be realistic about the fact that we cannot create change overnight on many of these very ingrained cultural issues, but we can work together, slowly and surely, to address them and to talk about them in an open space. That is what the Commonwealth provides.

Lord Foulkes of Cumnock: I will just give you an example. If I had been on your side of the thing, I would have said that one of the first things the Government should do, if they are making it easier for rich Chinese to come into Britain, is to make it easier for poor people from the Commonwealth to come into Britain to study at universities, instead of making some of the difficulties that exist. Some Caribbean countries have to travel to another country to get a visa to come to the United Kingdom.

Baroness Armstrong of Hill Top: Not just in the Caribbean.

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Lord Foulkes of Cumnock: Could I just get an answer on specific things, such as visa liberalisation? Would that not be helpful, for example?

The Chairman: What do we say about visa liberalisation, which has been raised by the High Commissioner as well? Might that be specific to the Commonwealth, or is that an impossible idea?

Baroness Prashar: Can I just come in here? I think your point about liberalisation and visa issues is very important. I agree with you, because if we think that the Commonwealth is a family—if I may say so, High Commissioners are not Ambassadors; it is a family—it is important that Britain is seen to be treating the Commonwealth citizens on the basis of equality. That is very true.

On your earlier point about us being starry eyed, I am not sure that we are, because the issues that you raise about Gambia, CHOGM, and of course the tension between the old and the new Commonwealth over human rights issues are very relevant, but we should not let those issues cloud our judgment about the Commonwealth's potential. You say you cannot, but I feel very strongly that we need to reform the institution, which I can come to later. The point was made earlier that these issues and tensions are as in any other organisation. Look at the United Nations: what about the Security Council meetings and so on. This is something of a feature: the fact that there is a forum through which these issues are being discussed is very important. You have to go beyond the issue and ask why Gambia has pulled out. There may be other reasons that one needs to look at. People play politics with that. It is true that the Commonwealth's moral authority may be seen to be under siege, given CHOGM and Sri Lanka, but this is why it is all the more important to demonstrate why the Commonwealth is important and why it is a platform. I am very anxious that we do not use the current difficulties to destroy a platform, a network, that in my mind is a network of the future even though it might have been created in the last century, and to lose it. Therefore Britain should engage with it very positively.

On the point about the tension between the old and the new Commonwealth, when I was in Perth about two years ago, it was clear to me that human rights issues were more about language. Human rights issues were seen to be an imposition by the west.

Baroness Goudie: I am sorry, but I find that quite unacceptable.

Baroness Prashar: Could you just let me explain what I am saying?

Baroness Goudie: I do not see that.

The Chairman: We must allow the witness to speak.

Baroness Goudie: I am sorry.

Baroness Prashar: When you look at human rights development, the issues are all interrelated. I just think that we have to begin to look at these issues. That is why the Commonwealth provides the dialogue and a place where these things can be discussed.

Lord Foulkes of Cumnock: There was not much of a dialogue.

The Chairman: I must let other people ask questions. We have limited time. Lord Janvrin is next on my list. I am sorry, but we must do it this way. Then it is Baroness Goudie.

Q155 Lord Janvrin: It may allow a development of this. I wanted to explore, Baroness Prashar, your point that the institution needs reforming, what you meant by that, and how the UK could get more out of it. I would also like to ask the Foreign and Commonwealth representatives to respond to those ideas, and to answer the point that many commentators

feel that to some extent the Commonwealth works better at a sub-government level, at a civil society level, and that that is where the networking and the connections really happen. If that is the case, what is the Government's policy to encourage that? First of all, I would like to hear your point about reform, Baroness Prashar, because I think I might share some of your views.

Baroness Prashar: I think you are absolutely right. I would like to see a lot more engagement with the civil society organisations, because the Commonwealth has myriad professional civil society organisations and I am not sure that they are supported and engaged with. The Commonwealth Foundation does some good work, as do the Commonwealth Magistrates and Judges Association and the Nurses Federation, but they are very much starved of resources and proper engagement. If you call it a network and it is a people's Commonwealth, it is very important that the focus is not just on the intergovernmental machinery but that we make sure that we make the non-governmental organisations, the civil society organisations, more effective. That is the area where I would like to see a shift in emphasis.

The Chairman: Would Paul Arkwright or Caitlin Jones like to comment on Commonwealth reform?

Lord Janvrin: Particularly on that point, which I confirm now that I share.

Paul Arkwright: The point about the sub-governmental level?

Lord Janvrin: Yes, and how you can do more to encourage those sub-governmental networks.

Paul Arkwright: First of all, I think we are doing quite a lot to encourage those networks, both through support for the youth forum that I mentioned and through the people's forums and getting civil society acting together, but I would perhaps challenge the premise that nothing useful can be done at governmental level. This comes to Lord Foulkes' question about what the point is when you have these serious clashes, which I saw evidence of, I have to say. I was at the United Nations during the General Assembly week and I attended the Commonwealth Foreign Ministers meeting. Some of you might have been to them. There was a sharp exchange there between certain people who you might describe as on the side of the values argument and those who might be described as on the side of the development argument. I would argue that the two are very closely connected. I saw it for myself, Lord Foulkes, and I know exactly what you are talking about. Does that invalidate the Commonwealth as a forum in which you should discuss these issues? I would say not. In fact, the Commonwealth provides the forum for—let us be explicit here—the Canadian Foreign Minister to criticise the Sri Lankan Foreign Minister and to do so in very direct terms. I would say that there is a usefulness in that which is not undermined by the fact that these are very sharp exchanges.

Coming back to the reform point—I also have a point to make about visas; I am collecting a few of these issues—there was out of Perth/CHOGM a reform programme which the Secretary-General of the Commonwealth was asked to pursue. He is doing so, and we are supporting and encouraging him to move faster with that reform programme. We do think there are areas in which we can improve the efficiency and the effectiveness of the organisation, and we are working with the Commonwealth Secretariat in order to do that very directly.

Can the organisation be better aligned to what the UK would consider to be its core priorities? I would argue yes, on the basis of a relatively short period in this job. How can we

go about doing that? We do that by force of argument, by ensuring that we get the right people in those positions, by pushing that reform agenda, and by using those sub-governmental levels which you talk about—the civil society, the NGOs, the CPA and others—frankly to shout very loudly from the sidelines if they are not very happy with the way it is going. So I would say that we all have a collective responsibility to push that, particularly with the CPA, in which I know many of you are involved.

The Chairman: Baroness Goudie, you wanted to come in on the earlier question. Would you like to go quickly on that?

Baroness Goudie: This question is very simple. In terms of soft power, most people who do not know the Commonwealth around the world—NGOs and others in America and Canada that one comes across—see the Commonwealth as part of Britain, so their perception of our soft power and where we stand on human rights as well as trade and corruption is that we should be giving leadership. An example of this was the Commonwealth meetings last year on mental health and so on in which the Caribbean countries of the Commonwealth did not want to give a lead and were looking to Britain and other countries to deal with the problems for which they needed funding. The perception of us around the world is that we should be trying to persuade these countries that they need to take leadership themselves but in the correct way. Do you see where I am coming from and how it affects our position as a country?

Paul Arkwright: I do. I will respond to that, Lord Chairman, if I may. I agree with you, and it should not be the UK that visibly leads in all these areas. It should be the UK that encourages others to do that and, if I may say so, encourages not just what someone here described as the old Commonwealth but other countries. It is an argument that we need to take to those countries. It is in their interests, frankly, that we pursue some of the values referred to—human rights, good governance, democracy, building democratic institutions. It is incumbent upon us not just the Foreign Office or the Government but everybody who has an interest in the Commonwealth to continue to make those arguments. I think we are making good steps forward. If you look at the Commonwealth's recent electoral observation and monitoring in Sierra Leone, Kenya and other places, you will see that we have had 70 recent electoral observation missions. They are doing some really good work, and the reports that are coming out are making specific recommendations on how to get it better the next time around. With respect to the question, "Is it all negative?", the answer is no it is not. Some very positive things are coming out of it which I think we need to celebrate.

The Chairman: Baroness Nicholson, the floor is yours.

Q156 Baroness Nicholson of Winterbourne: I fully subscribe to the point made at the beginning by Paul Arkwright that the Commonwealth is an organisation with particular core values. I therefore fully agree with the High Commissioner's point that membership gives a new identity to countries that join and reinforces the identity of countries that are members. My two questions are designed to support those points rather than degrade them. First, what activities are undertaken, similar to, say, those of the EAS, to reinforce those core values in different nation states that belong to the Commonwealth? I have not noticed—it may just be my lack of observation or perhaps lack of involvement—on the ground in different nations that belong to the Commonwealth that the EAS is a mirror of what one would hope the Commonwealth would be doing. In other words, that is weekly meetings, discussion of what is happening in a country and how everything is working. The Commonwealth has core values: the fundamental freedoms, the free market, the rule of law and the fight against corruption. It reinforces those in its own meetings collectively. What is happening one layer further down in each Commonwealth nation? Are the Commonwealth

nations coming together everywhere every week, like the External Action Service of the EU does? In other words, what are we doing to reinforce those values, if the committee agrees that this is the great strength of the Commonwealth? Secondly, it is of course good to support those values. That assists countries in improving their economy, way of life and the quality of the citizens' life. That is what the core values are for, everywhere. But, in a word, what are we doing to support assistance to help countries earn a living better? Are we, the other wealthy nations, following a sort of "Lomé-cum-Cotonou" model? Do we have a deliberately prioritised programme to assist the poorer nations of the Commonwealth to get the contracts they need to get their arguments forward in the World Trade Organisation, for example, or with the World Bank or IMF? What have we got going that actually reinforces the great strength of the Commonwealth? That strength is to help others earn a living and help the quality of life of the citizens. It comes together to do that, in a different bloc than the other blocs that exist—I believe the Commonwealth is one of the very earliest blocs of rule. Those are my questions. How are we reinforcing these two key things?

Q157 The Chairman: The first question, which was very acute, strays slightly into the broader question that we will come to halfway through, which is what the Commonwealth itself could do. The second question is absolutely spot on. What is in it for our different member states? Can I ask the High Commissioner what he feels about this? Does he feel that Mozambique has forces working for it in the Commonwealth structure? Also, while reinforcing Baroness Nicholson's question, what does he feel about British leadership? Is leadership quite the phrase in a networked world? Are there leaders any more or is it more of a sort of a network where we are all in this together rather than too busy leading each other?

Mr Carlos dos Santos: Thank you very much, my Lord. Well, what does Mozambique see as things that are concrete and done by the Commonwealth? On the issue of values, I would just say governance, improving the rule of law and human rights. We are enjoying very concrete benefits. Just to give you one example, earlier this year we had the Minister of Justice visiting London and she requested a meeting with the department that deals with legal issues at the Commonwealth Secretariat. She had a meeting there and agreed with the Commonwealth Secretariat to assist Mozambique specific areas of the justice system. Earlier on in the year, we had a seminar jointly conducted by the Commonwealth Secretariat Human Rights Unit and Ministry of Justice in Mozambique to deal with prison issues there. We invited other countries from the region to be part of that workshop. That is building capacities. There is also the role of CMAG—the Commonwealth committee of Foreign Ministers that deals with issues of core values. There is an expression today in the Commonwealth that a country has been "CMAGed". That means it has violated the principles and values of the Commonwealth. No country wants to be CMAGed. There is a consciousness developing that countries value the work that that group does. As discussed in Perth, the idea is not to police the countries but to help them make sure that they comply with the values.

On the development side, just another very concrete example is that we had the natural resources unit within the Secretariat go to Mozambique. That was initiated by the High Commission here. I spoke to them. They sent us some staff specialised in natural resources. As you know, Mozambique has just discovered natural gas in huge quantities. The country can have a big leap in terms of development, but only if we manage those resources right. This unit is working with the Government to assist in building their capacities to understand how you manage oil and gas and negotiate contracts. These are very basic things and are a

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given in other countries of the Commonwealth but they are not a given in Mozambique. They are very important things.

I have just one last point to conclude on. We have a problem of knowledge of what the Commonwealth is doing and can do. The problem is within the Commonwealth but even more so outside it. This has been identified as a problem. The Secretary-General has been asked to make sure that what the Commonwealth does is better known within the Commonwealth—in the countries of the Commonwealth—and outside it. He is working on a way of dealing with those issues.

The Chairman: That is very important and leads us on to the discussion in a moment.

Baroness Armstrong of Hill Top: Does the Commonwealth Secretariat have a formula that is working to help individual nations gain contracts and have their arguments with the IMF and all the rest of it? Have we got that system going? If not, why not?

The Chairman: Yes, I think that is absolutely the right question.

Mr Carlos dos Santos: They may not have a system like that but some things have gone right. I am thinking of the issue of debt. The issue of external debt has been a big challenge for many developing countries. Mozambique has qualified for HIPC-1 and HIPC-2, and has come to some sustainable levels of debt because of systems and software developed within the Commonwealth. Those are being used today by the Ministry of Finance and the Central Bank of Mozambique. That is one of the good things that the Commonwealth has developed. But I agree with you that if we could have more consensus in terms of negotiating international trade with the WTO, the World Bank and the IMF, building the capacities of developing nations in these areas, we would benefit more.

Q158 Baroness Morris of Bolton: Thank you very much everybody. My question is rather picking up from what Baroness Goudie and Baroness Nicholson were saying, and also what Baroness Prashar and Paul were saying about encouraging networks. I was rather struck when reading all the various materials sent to us for today by Kamallesh Sharma's letter to the *FT* in response to Gideon Rachman's article. Mr Sharma said: "Our Commonwealth soft power and behind the scenes contributions can often be at risk of negative judgment in the short term". With hard power, when you are doing something you shout about it so that the whole world knows—otherwise there is no point doing it. With soft power, there is this whole interconnection of little things. Baroness Nicholson said that she had not noticed what was happening. I keep hearing about all these wonderful things that are happening. What can we do to make soft power more visible? Then, sometimes, we will not have these tensions as to whether we are doing the right thing.

The Chairman: I suppose we are doing our bit by having this committee.

Baroness Morris of Bolton: We are. I wondered particularly what the Commonwealth was doing.

The Chairman: That is the cry: that it is very hard to fit this soft power into the modern world and the modern media. Do any of our witnesses have some bright ideas on that?

Baroness Prashar: I think this is a real dilemma because it is very difficult to measure the impact of soft power. By its very nature it is long term, through engagement. As I said, you build trust over a period of time. You create an environment in which other things can happen. If I may make another point, it is important that we do not also lose sight of the fact that the soft power is exercised in terms of values, again through the civil society organisations. I can give you examples of a range of projects where people come together. One example: the Royal Commonwealth Society has had its essay competition for years.

That is a good way of inculcating values. There are a whole range of projects that I will not go into. Also, taking your point about leadership, in a networked world you can take leadership but it is more about mutual learning and reciprocity. In a way, it is about co-operation and engagement. That is a different way of influencing and attracting each other. You have to understand that. A simple thing would be, that it is important to identify areas where you can communicate that better and get a better understanding. If I may say so, your Select Committee is a good example of that, where people begin to recognise that these things are very important and see the strength of some of these organisations who work below the radar in doing all this good work. We want to make sure that, sometimes, you have to raise your head above the parapet and make statements. Countries join the Commonwealth because it is an aspiration to imbibe those values. It is a journey. But with those that join the club and then do not comply with the rules of the club, certain action has to be taken. That is the way that you begin to illustrate where the power lies.

The Chairman: Paul Arkwright, you wanted to speak on this as well.

Paul Arkwright: Yes, and with your permission I will go back to Baroness Nicholson briefly, then I will come to Baroness Morris' points. There are a number of areas. First, the Commonwealth and the External Action Service of the European Union are two very different animals. For example, you talked about weekly meetings. I assume you mean of EU ambassadors in particular countries, which does happen. I was an ambassador in the Netherlands. We did not meet as a Commonwealth group. The Commonwealth as such does not have that kind of convening practice, although we got together for Commonwealth Day. Once a year, the Commonwealth ambassadors in that particular country would get together. The fact that we were in the Commonwealth together gave me a connection with a number of other Commonwealth ambassadors based in The Hague, which I used. I used it more on an ad hoc basis. The convening power of the Commonwealth could be used better but we are using it. The High Commissioner mentioned debt. I would also mention trade, where there is a Commonwealth business council, the Commonwealth Business Forum. I would mention advocacy in the G20 context. Before the G20 summit in St Petersburg, Commonwealth issues were raised through the Commonwealth Secretariat very directly. There is very practical assistance such as an anti-corruption unit in Botswana. In Barbados we have helped to establish a national human rights institution. There are lots of good examples but, coming to Lady Morris' point, they are often beneath the radar. It is a very good question: how do we raise their profile? I see you have a hashtag for this committee so Twitter is obviously one means by which you could do that. I would also say CHOGM. CHOGM will attract the world's attention. It might attract it in ways that the Commonwealth might not be particularly comfortable with but it will attract the world's attention. Around CHOGM and what is happening next month in Sri Lanka there are a number of extremely worthwhile activities going on. If we are clever, we could make the most of the spotlight that the world will put on CHOGM to widen the scope of journalists' interest and say, "That is all very interesting. You are interested in human rights violations by the Sri Lankans, how about coming to the youth forum?"

The Chairman: Before we go on, is it correct that the Chinese are sending a very large business delegation to Colombo, as are the Japanese, the Qataris and the UAE?

Paul Arkwright: I am told by Caitlin that that is correct. I do not have the numbers but they are particularly interested in the business forum, so the trade element of this is something that they are very well tuned into.

The Chairman: Because of time, we must move on. Baroness Hussein-Ece has been waiting very patiently and then we will have Lord Ramsbotham, and then I want to change the tone a bit.

Q159 Baroness Hussein-Ece: Thank you, Lord Chairman. We have touched on what I was going to ask. Baroness Prashar at the beginning said the world is changing around the Commonwealth and power is shifting very much in different directions. The landscape around the Commonwealth is pretty much changed. How well do you think the Commonwealth has dealt with the new rising powers? We have touched on China but there is Brazil, Turkey and other countries like that. How well is the Commonwealth linking in, networking and working with these new powerful countries?

The Chairman: Who would like to go first on that big idea? High commissioner, please.

Mr Carlos dos Santos: Thank you very much. One way that I know is that the Secretary-General of the Commonwealth is mandated by the board of governors to go to the meetings of the G20. This is where Commonwealth interests are brought to the fore by the Secretary-General. That is the main forum, I would say, although there could be others. Certainly, the Commonwealth Business Council is one way—the delegations go to it because they attach great importance to what the council discusses.

If I may, Lord Chairman, I would like to speak about the meeting of the group of ambassadors and Paul's response. I would add that, although we do not have these meetings of ambassadors around the world, we have the board of governors here, which meets regularly. Also, the board has an executive committee that meets even more regularly, between board meetings. Perhaps we should give it more substance and find ways of bringing more issues to the board and the executive committee. Moreover, the Commonwealth Foundation has the governors meeting—these are all the high commissioners here in London. Mozambique is a member of the board of governors at the foundation and a member of the grants committee, which each year selects projects from around the Commonwealth, involving inventions by youth. The last one that we voted as the number one project was from Kenya. A young man had invented a light bulb that can be produced in Kenya. It is now being used for education in the evening, which was not previously possible in villages. It is easy to work with and it was his invention. We are looking at the possibility of multiplying that to the rest of Kenya and other countries. This was just one of the projects.¹¹⁴ We had projects for Africa, Asia and the Pacific. I think that this is a wonderful thing. These committees are working here in London. Perhaps we could look at the possibility of having meetings elsewhere, but there is already a vehicle that is being used.

Q160 Lord Ramsbotham: This relates to what others have been saying. I must admit that I was interested in the High Commissioner's comment about prisons. As Chief Inspector of Prisons here, I am involved with the International Centre for Prison Studies and the human rights management of prisons, which is very much soft power oriented. My interest is taking the question of soft power and British influence and saying that the Commonwealth is a soft power organisation. All that you have said about values is really about the values that the Commonwealth is spreading and of which we are now a part—we must think of ourselves as a part and a member of the Commonwealth. Therefore, my question is directed particularly at the High Commissioner. Is there anything that you think we in the United Kingdom should be doing—you have mentioned visas and students, both of which subjects have come up before—to increase the UK's contribution to the soft power exercised by the Commonwealth?

¹¹⁴ Note from witness: "This was the Awards Program from the Youth Division not the Grants Committee."

Mr Carlos dos Santos: Yes, definitely. One of the great things that the UK can do is help to build capacities in countries for the justice system, for police and for prisons. It should work with other Governments to strengthen Commonwealth capacities in these areas. In the Commonwealth, when we speak about good governance and democracy, we tend to look at CMAG and say, “Which countries are breaching the values?” But we could do better by focusing on the things that we can do within the framework of building capacities to prevent violations from happening. When you work on prevention, probably you will not have the same publicity as when you work on a country’s violations, but it is definitely much better. I would agree with Baroness Prashar that this is not about the UK leading; it is about the UK showing readiness to work with others in a Commonwealth of equals and saying, “We want to be part of this association and make a positive contribution”. I think that that would be very much appreciated.

Baroness Prashar: I think that it is not so much about what Britain can do. The question for me is what Britain can do to increase the capacity of the Commonwealth so that the Commonwealth as an organisation can work better. It is not just a bilateral relationship with other countries; it is about the contribution that we can make where we engage with the Commonwealth as an institution or a network.

Lord Ramsbotham: And where we are a member.

Baroness Prashar: Yes, we are a member. What contribution can we make as a member to increase the Commonwealth’s capacity, whether through professional and non-governmental organisations or at governmental level? We can play a pivotal role without showing leadership in the sense that we own it. An important thing about the Commonwealth is that every member is equal, so it is about mutual learning. It is important that we increase the capacity of the organisation. I want to underline that the organisation is under-utilised and has enormous potential. It is in desperate need of reform and change and it needs to be repositioned. The UK can play an important role in partnership with other bodies. It can do that by listening to members and their needs and by focusing on areas that are a priority for the members.

Q161 The Chairman: In the last 10 minutes, let us see whether we can raise the issue to the global level. There have been a number of questions about how the Commonwealth as an institution fits into this new global order. Later, the Committee will look at how the EU fits into this new global order and radiates its soft power, but where do our witnesses think the Commonwealth as an institution—with its secretariat, its mighty membership, its history and its hope for the future—would be most effective in influencing world affairs? Mr Arkwright, would you like to start on that?

Paul Arkwright: Thank you very much, Lord Chairman. I would focus on young people. I would point out that 60% of the population of the Commonwealth, which is 2.2 billion, are currently under 30. I would focus the efforts on young people for several reasons. The first is that they are the future—that is an obvious point. Secondly, they are much more tuned in to the digital age than, at least, I am, although I cannot speak for others in this room. Thirdly, through education—getting education right and helping people through education—you can indeed make a difference in the world. We are doing that in different ways. If you bear in mind that every year almost 1,000 people from the Commonwealth get scholarships to come and study in this country, you can see that we are actually making a difference, both through the Chevening scholarship and through the Commonwealth Fund.

The Chairman: Is that a two-way process? Are there scholarships around the Commonwealth for British students as well?

Government (Foreign and Commonwealth Office), Baroness Prashar, H.E. Mr Carlos dos Santos, High Commissioner for the Republic of Mozambique – Oral evidence (QQ 152-164)

Paul Arkwright: Do we pay for British students to go and study in Commonwealth countries? Is that your question?

The Chairman: No, it is whether other parts of the Commonwealth offer scholarships that we take up, just as we offer scholarships that they take up.

Paul Arkwright: I do not know the answer to that question. I will have to come back to you on that, unless Caitlin knows.

Caitlin Jones: Yes, there are opportunities for British students to study abroad, particularly for Masters degrees, as I understand it, in other Commonwealth countries.

The Chairman: Sorry, I just interrupted. Carry on with what you were saying.

Baroness Armstrong of Hill Top: Can they get visas?

Paul Arkwright: Can who get visas? Those who have received scholarships?

Baroness Armstrong of Hill Top: Commonwealth students coming here.

Paul Arkwright: Yes.

Baroness Armstrong of Hill Top: Always?

Paul Arkwright: I cannot speak for every single Commonwealth scholar. One question that has come up is whether it is right to differentiate students, businesspeople or other people coming to the UK because they are Commonwealth citizens. The policy of the Government up to now has been that, on trade, for example, we are focused on individual bilateral trade relationships—for example, with India and with the emerging powers. I think that it is fair to say that there is probably an unconscious bias towards those countries with which trading is easier. Nobody has so far mentioned the English language as probably the biggest and most powerful tool of soft power that the UK can profit from. To answer your question about how we can make the difference, there are elements in all of that on which we can focus. Youth, education, scholarships and building capacity in those areas are, to my mind, one way in which we can really make a difference for the future.

Lord Foulkes of Cumnock: I am very glad that Mr Arkwright mentioned language, as I had written it down. I am glad that he is focusing on examples, because the difficulty that we have had with all the witnesses is in getting them to think about specific examples. One of the best examples is happening in Glasgow next year—the Commonwealth Games.

Paul Arkwright: Indeed. I am coming to them.

Lord Foulkes of Cumnock: Sport is one. Education is another. Before I went to South Africa, I went to Lesotho, where I found out that there is a wonderful link between Wales and Lesotho. All these young pupils had been to Wrexham and were back in Lesotho singing the Welsh national anthem in Welsh. This is fantastic. These are the practical things that we want you to suggest more of—in education, in the arts and in music—rather than theoretical comments. Have you any more?

Paul Arkwright: Caitlin has a book full of them that we can send you. I totally agree with you. The Commonwealth Games are a powerful example of that. The Queen's baton relay, which has just started off, will travel through all 71 territories that are participating in the Games. Somebody made a rather unkind comparison between the wonderful event of the lighting of that baton with what happened in Sochi when the fire went out, but I will not go there. I think that this is a very important point. Linking the Commonwealth Games, the sporting activities, the youth and indeed business—we are looking at how we can develop a

Government (Foreign and Commonwealth Office), Baroness Prashar, H.E. Mr Carlos dos Santos, High Commissioner for the Republic of Mozambique – Oral evidence (QQ 152-164)

business forum round the Commonwealth Games next year in Scotland—is another element that we need to look at.

The Chairman: I think that Lord Foulkes's question is really clarifying the whole point of this theme. In the Commonwealth, even if its heads of government occasionally clash, the elbows, feet and arms of government and the non-governmental activities continue to integrate at a great speed, driven by the interests of the people, rather than by the interests necessarily of the formal structures of government. It is a fascinating theme.

Q162 Baroness Nicholson of Winterbourne: Just a very quick question to Mr Arkwright. The high commissioner has elaborated clearly and constructively the formatting of the current Commonwealth strength, which is more or less based in London. My questions earlier were about outreach, strengthening the Commonwealth in the member states and collectively in the regions of the member states. Mr Arkwright, has the Foreign and Commonwealth Office sufficient capacity to support a stronger Commonwealth?

The Chairman: That is a question for Mr Arkwright and Caitlin Jones.

Baroness Nicholson of Winterbourne: Because as you so rightly said, the EU obviously starts from a different base, which is the free market. The Commonwealth began from a sharing of common values and is doing a wonderful job. But in order for common values to be continued, you have to earn a better living for example, and you have to come together more frequently to share common values and to discuss problems such as justice and prison problems but also earning a living, contracts, the IMF and so on. That surely can be progressed further only on the ground floor in the countries and in the regions. Who is going to support that? Do you have the capacity in the Foreign and Commonwealth Office, or has that side got a little weak?

Paul Arkwright: Well, I am a new director. I have been in the job for about six weeks, and I have an excellent team, led by Caitlin, of course, in the Foreign Office, who Lord Howell and others will know, who is running the team and working very hard towards CHOGM and Sri Lanka. I would say on the question of what is being done on the ground that we are of course represented by high commissions and high commissioners on the ground in Commonwealth countries. In my experience of travel around those countries, we are very well served by the people who are there and who take the Commonwealth extremely seriously as an institution and make the most of it. I know that Caitlin wants to come in on that.

Caitlin Jones: If I may, Lord Chairman. The first thing I would say is that we would always like to do more, and within limited resources we do as much as we can. Under this Government the network has been strengthened, and we have seen new offices open in places around the Commonwealth, such as Hyderabad and Chandigarh, and I know that UKTI has strengthened offices in Commonwealth countries and in cities across the Commonwealth.

What I would bring out is that the work that we do on the Commonwealth is not limited to the work that my team does with high commissions in Commonwealth countries. We have a thematic approach, which means that all the work is mainstreamed throughout the FCO. We have a prosperity directorate that takes forward prosperity issues with our high commissions across the Commonwealth, and more broadly of course. Climate change issues are taken forward by a climate change team, and human rights issues are taken forward by human rights teams. We have a number of streams and strands going on that are not confined to my team; they are mainstreamed across the FCO, and a lot of valuable work goes on.

Baroness Nicholson of Winterbourne: So in a sense the Commonwealth gets lost in the wash. I do not mean that in destructive way at all.

The Chairman: Lord Janvrin desperately wants to get in. We have two more minutes.

Q163 Lord Janvrin: I have a question about trade and the Commonwealth Business Council. One of the reports I read said, I think, that inter-Commonwealth trade was rising faster than extra-Commonwealth trade. Perhaps I am straying back into the question: what is in it for Britain? My questions are these. How effective is the Commonwealth Business Council in promoting trade within the Commonwealth? Could it be more effective? Could the UK contribute in some way to using the organisation more effectively in trade terms?

Q164 The Chairman: Can I add to that a last question? Could we hear from Mozambique how the business side of things is really helped by Commonwealth membership? Let us spend the last few minutes on that.

Mr Carlos dos Santos: Thank you very much for that important question. It may be difficult to actually pinpoint the exact benefits that came directly from the Commonwealth as such, but as we in Mozambique work with the Commonwealth Business Council we benefit a lot. My President was here last year, and we organised a big round table and a lunch with businesses from the UK and elsewhere but based in London. It was a very successful meeting that generated lots of contacts with our business people from Mozambique. Subsequently, we agreed to have a forum in Mozambique. I went back to Mozambique with the Commonwealth Business Council, and we had a business conference there that again was opened by the President of the country. It has generated a lot of interest from businesses based in the UK. I have always said that people in the Commonwealth did not go to Mozambique to look for businesses only because they did not know what Mozambique had to offer. These fora provide an opportunity for them to know that they can make good business there and make a lot of money. So these kinds of interaction are happening, and I know they have happened with Ghana and other countries. Then you have the ones at summit level. Whenever we have the Heads of Government Summits (CHOGM) we also have a business forum where you have heads of state from different countries of the Commonwealth interacting with business leaders, and I think it has been a very good experience. It was good in Perth. My President has accepted the invitation to be at the business round tables again in Colombo. So quite a lot is being done, even if we do not have any other formal network that will tell you that this is a result of the work of the Commonwealth Business Council or other things combined.

The Chairman: I think we are going to make that the last word, because we have run out of time. The high commissioner has struck the final note. As they say, money is not everything but it helps. Growth and prosperity are not everything in the Commonwealth as values, but it certainly helps to have a prosperous group of nations. That is our interest and it is the interest of the whole Commonwealth. You have been marvellous witnesses. Thank you very much indeed. I am sorry that we do not have more time. We are extremely grateful to you for your insights.

Government (Foreign and Commonwealth Office) – Further supplementary written evidence

[Dear Lord Howell]

I write further to my appearance on 14 October at the Committee on Soft Power. I apologise for not writing earlier, but as I am sure you will understand, the Commonwealth Heads of Government Meeting has taken up much of our time over the last month.

When I appeared before the committee I made a remark that my colleague, Caitlin Jones, had a “book full” of examples which we could share with the committee. I should like to clarify that this was not a physical book and was more of a reference to several examples of Soft Power that we had prepared ahead of the evidence session.

I attach a paper which lists several of these examples which I hope help to inform the work of the Committee.

Paul Arkwright
Director, Multilateral Policy Directorate

COMMONWEALTH SOFT POWER CASE STUDIES

Human Rights

Soft Power tools do not always work in enforcing human rights standards. But there are some examples of good use of Soft Power. For example:

- The Commonwealth supports member states in their ratification, adoption or to suggest improvements in human rights instruments.
- It provides assistance to key institutions including the police, government departments, national human rights institutions and civil society organisations, to improve their capacity to monitor and protect human rights.
- The Commonwealth recently supported a train the trainer workshop for prison officials in Mozambique and helped produce a ‘Human Rights in Prison Management’ manual.
- The Commonwealth has provided technical assistance to Barbados to establish a National Human Rights Institution.

The UK values in particular the democracy and governance work which the Commonwealth undertakes to support members’ prosperity and development. Election Observation is a key example of Commonwealth soft power making a difference. The Commonwealth has observed over 70 elections since 1990. This year, it has taken part in monitoring at national elections in **Kenya, Pakistan, Rwanda, Swaziland, Maldives and Cameroon, and provincial elections in northern Sri Lanka**. We were particularly pleased that the Commonwealth was able to observe the latter – the fact of the elections was important, and it was also important that the international community was able to observe.

Government (Foreign and Commonwealth Office) – Further supplementary written evidence

Observers' reports cover administration and voting arrangements and give useful assessments of how successful these were. These assist us by giving an impartial indication of the quality of elections, and identifying weaknesses and issues to be watched in future votes.

Commonwealth Day

A key example of the Commonwealth using soft power was through the launch of the Commonwealth Charter, signed by Her Majesty The Queen, on Commonwealth Day on 11 March 2013. The Charter sets out in a single document the values of the Commonwealth. In the UK, debates took place in both Houses of Parliament, and we were in touch with a number of Commonwealth organisations, civil society and youth to promote the Charter and raise the profile of the Commonwealth. Notably, we worked with the Royal Commonwealth Society to raise awareness among young people in the UK of the Charter by using their digital platform and providing teaching materials. We also asked our High Commissions overseas to use the opportunity to promote the Commonwealth. In addition we encouraged Commonwealth members to promote the Commonwealth Charter, and the Secretariat asked that debates take place in parliaments across Commonwealth during that week.

We intend to use the next Commonwealth Day on 10 March 2014, where the theme will be "Team Commonwealth", to promote the Commonwealth Games in Glasgow.

Sport/Commonwealth Games/Queens Baton Relay

Using sport as a tool for peace and development is well documented. It is a universal language that contributes to educating people on the values of respect, diversity, tolerance and fairness. The Commonwealth Games (CWG), to be held in Glasgow from 23 July to 3 August 2014 is a great example where the Commonwealth as an organisation brings together its members as one, under the banner of sport.

The CWG is traditionally preceded by the Queen's Baton Relay (QBR). The Baton is now passing through each of the 71 participating nations and territories before returning to Scotland for the Opening Ceremony. The QBR is a unique soft power opportunity to promote the CWG, Glasgow, Scotland and the wider UK in each CWG nation, appropriately themed to focus on issues such as trade, education or tourism, or promoting the values of Britain and the Commonwealth.

The Commonwealth Games like the London Olympic and Paralympic Games is a unique opportunity for the UK Government and other key stakeholders to maximise **trade and investment opportunities**, develop global business partnerships and seek new and innovative solutions to deliver sustainable economic growth. HMG and the Scottish Government will be hosting a Commonwealth Games Business Conference on 22-23 July in Glasgow to build on this.

Cyber

At CHOGM in Perth, Heads agreed to help improve international security through improved legislation and increased capacity to address cyber crime and other cyber space security threats. This included through the Commonwealth Internet Governance Forum's Cyber Crime Initiative (CCI), which helps build capacity and helps facilitate partnerships on cyber crime. This was reaffirmed at CHOGM in Colombo.

Heads mandated work within the Commonwealth on cyber crime. The Secretariat's programme of work includes; effective co-operation within the commonwealth and globally to develop, monitor and update their expertise in policy, law enforcement, prosecution and prevention of cybercrime; each member state to develop and maintain an effective national strategy to co-ordinate efforts to prevent and combat cybercrime; the creation of special co-operative relationships among the smaller developing countries to build law enforcement and preventive capacity; develop effective prevention strategies in co-operation with the private sector and civil society; encourage Commonwealth countries to bring their laws into line with the Commonwealth Model Law and the Harare Scheme and to accede, where practicable, the Budapest Convention. The Commonwealth's work on cyber has helped improve good governance and promote best practice on cyber throughout its member states.

Making the most of the Commonwealth's emerging powers

The Commonwealth contains several fast growing economies among its members and we are using all the networks / organisations and tools at our disposal to increase UK engagement with them. The fact that some of these are Commonwealth members means that we already have a head start. Some examples:

- The **UK has a global reputation for excellence and world class expertise in a wide range of sectors which can complement the fast growing economies.** In Malaysia for example, around 48,000 Malaysians take UK qualifications, which around 14,000 are studying in the UK. A decade after Nottingham University established a campus in Malaysia, more than 60 UK educational institutions have established ties with Malaysian counterparts. Newcastle University opened a Medical School in Malaysia in 2011, while Southampton University opened an engineering campus there in 2012.
- **Commonwealth and Chevening scholarships.** The Scholarships are an important element in Britain's public diplomacy effort and bring young professionals, who have already displayed outstanding leadership talents, to study in the UK. The objective of the Chevening programme is to support foreign policy priorities and achieve FCO objectives by creating lasting positive relationships with future leaders, influencers and decision-makers. Between the two schemes, the UK sponsors nearly a 1000 Commonwealth scholars to study in the UK each year. [Over 150 Chevening scholarships to Commonwealth citizens in 2013-14 and around 800 Commonwealth scholarships per year].
- On 18 October, 12 Chevening Scholars from the Commonwealth will be **presented to Her Majesty at Buckingham Palace** as part of the Centenary of the Association of Commonwealth Universities.
- Over 600 new **education and research partnerships** have been established with India since 2011 as part of the UK India Education and Research Initiative (UKIERI).
- Under the GREAT campaign the FCO, UKTI and the British Council are working in partnership to attract **high-achieving Indian undergraduates** to British universities focusing on: law, medicine, engineering and life sciences - fields where the UK leads in higher education facilities.
- UKTI Education (formerly known as the Education UK Unit) is a key component of the **Governments International Education Strategy**. This team has been set up jointly by BIS and UKTI to help the UK education and training sector win business overseas, particularly in relation to high value opportunities. Work is currently

underway to identify and prioritise further target markets, based on initial assessments of high value opportunities including East Africa, India, Malaysia, and South Africa. A number of other Commonwealth markets may become priority markets for UKTI Education in coming months.

- As part of the **Emerging Powers Initiative**, we have invested in some of the Commonwealth countries who are Emerging Powers through our Network Shift to increase the number of staff in our embassies (i.e. India). We have also invested in those countries that are EPs to develop our soft power. In **India, South Africa and Nigeria** we have provided grant funding to build business networks through our British Chambers of Commerce. The Chevening programme has funded a South African scholar to work on a huge cutting-edge commercial project on a British car, Bloodhound SSC, which is designed to go faster than the speed of sound; we have done GREAT events and a GREAT week in South Africa around this project. We have funded a project with the Nigerian MFA to take diplomats from every region in Nigeria to the UK to help train them in how diplomats in the UK operate. In India, we funded a Young Leaders Retreat in Mumbai which was a seminar to develop future leaders and give them an understanding of what leadership is.

28 November 2013

Government (Mark Harper MP, Home Office) – Oral evidence (QQ 260-273)

Evidence Session No. 16

Heard in Public

Questions 260 - 273

Members present

Lord Howell of Guildford (Chairman)
Baroness Armstrong of Hill Top
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Lord Hodgson of Astley Abbotts
Lord Janvrin
Baroness Morris of Bolton
Lord Ramsbotham

Examination of Witness

Mark Harper MP, Immigration Minister, Home Office

Q260 The Chairman: We have been joined now by Mark Harper, who is Immigration Minister at the Home Office. We are very grateful to him for being with us today. I have to say formally that the declared interests of this Committee are on the bits of paper in front of you. If we have a vote, which I do not think is likely, we might have to interrupt for five minutes. As you probably know, we in this Committee are seeking to formulate views and report on the deployment of so-called soft power and the promotion of Britain's influence and attractiveness throughout the world, and hence, we hope, to fulfil our national aims of increased prosperity, an effective contribution in the outside world and security. We have had a great number of comments from many witnesses about the impact of immigration and visa policies on this issue. I shall begin with an obvious question, and please then feel free to elaborate on it. Do you feel that it is part of your job to promote the UK's image abroad? Does that come on to your desk?

Mark Harper MP: I think it does, Chairman, and thank you for inviting me to come and give evidence. The objective of our visa and immigration policy is twofold. It is to support both our prosperity agenda—and the Home Office is just as much signed up to that as any other department—and the countervailing security agenda to stop immigration and crime and to stop people coming here who are doing so for the wrong reasons. It is about balancing the two and ensuring that we deliver on both those objectives. We have also been very clear, and the Home Secretary and I and other Ministers take every opportunity to make this point, that people wanting to come to Britain as visitors or to be here lawfully and not breach immigration rules are very welcome. We try to put service improvements in place and make it as easy as possible. To that extent, yes, it is our job to go out there and sell our message and take every opportunity, both domestically and overseas, to say that Britain is open for business and that people are very welcome here if they want to come and play by the rules.

The Chairman: But do you feel that we are getting this balance quite right? Why has witness after witness spoken about the way in which the visa policy makes this country less attractive? We have had some very strong language. Very senior journalists, editors and opinion-formers have talked about our policy being “suicidal”, which was one word that was used. Another was a “crime”. It was very strong language indeed. I do not endorse that kind of strong language in any way, but the feeling runs deep that we are striking a wrong note. How do you feel that the case for having the right balance can be better promoted? How would you put it?

Mark Harper MP: I certainly think that some of those who have given evidence to you are people who philosophically do not think that we should have any visas at all. The Government’s view is that if we had no visas for anyone at all and anyone in the world could come to Britain without any control at all, that would be very damaging to us. I fundamentally do not agree with one of the journalists who said that the concept of having visas was a crime—that is a rather foolish statement. I would counter that one of the difficulties here is about the difference between reality and perception. One of the things that I ran into when I initially came into this job last year was our decision to revoke the sponsor licence of London Metropolitan University, which was absolutely the right decision to take because it was not meeting its sponsorship requirements. However, that was not necessarily reported in a very balanced way across the world. Coming into this job, I was a conscious that we do not just have to make the right decisions but that we have to think about how we communicate not just to a domestic audience but to an international one. One of the things I have tried to do over the past year is to think through some of our communications. If we think that something might be sensitive in a particular country, for example, we talk to our embassy in that country, get some advice and think about how it will play. And we do not just take decisions; we think about how they will play. A lot of the concerns that have been expressed to you are concerns that have been expressed to me, but when you actually probe the evidence it does not support them. However, it is the case that people think some of those things, and there is a gap between perception and reality. One of the reasons why I was pleased to come and give evidence was to try to deal with some of the reality versus some of the perceptions that people have.

Q261 Baroness Morris of Bolton: Mark, thank you very much. You mentioned the embassies, and you said that when you think something sensitive might come up you will communicate with the embassy. We all hear horror stories of fairly high-level people who do masses of business in the UK but who cannot get in, and I am sure that that would happen however perfect the system was. However, I wonder whether that could not be better mitigated. Given that our embassies know people, perhaps they could be given a way of doing the initial screening. That has been taken away now from some of our ambassadors, has it not? I wondered why that was. Perhaps it might be a good thing to bring that back.

Mark Harper MP: There are a couple of issues there. One is that there is a formal process where we work with UKTI to look at valuable and high-value businesses that we want to have relationships with so that we build a very good relationship with them. There is that on a formal basis. Your specific issue about the extent to which we deal with our posts abroad has been raised with me on a couple of visits, and I have asked for some work to be done to see whether we can formalise the process. Where an ambassador or a High Commissioner is aware of particular individuals who have either a business or a diplomatic relationship, although they are not a formal diplomatic person, perhaps we ought formalise their ability to feed that into the decision-making process, either to factor it into the decision or to ensure that if there is any legitimate reason why we would not want that person to come to Britain,

there is a good process for handling the communication. I have asked for some work to be done on that. That is a very sensible point that has been raised with me in posts overseas.

The Chairman: So Minister, aside from the extremists who do not want any visa control at all, where is the aggro coming from? It really is rather strong. Is it to do with the cost of the visa, as once witness was suggesting, with the arrangements in the hinterland and the difficulties of applying for visas from some countries, or just the fact that too many people want to come here because they are attracted by our universities, our tourism and so on? Surely you must have a view of why the aggro is there, and therefore some targets for how to ameliorate it.

Mark Harper MP: I think it is probably worth disaggregating the two segments. On the one hand you have visit visas—that is, visas for people coming here as tourists or business visitors. I think that our performance on those is very strong. Of course many countries do not require visas to come here for those two purposes; in many countries we have non-visa nationals, and they can come to Britain for visits without getting these in advance. However, for countries where we insist on a visa in advance for good reason, our global performance is very good. We grant 89% of visas that are applied for, and in China it is even higher than that. We grant 94% of those visas within our 15 working-day target—in fact the average globally is to grant a visa in eight days—and that performance compares very well with our competitors. On that side of the shop, the tourist and business visitors, we offer a very good regime, and I think I am right in saying that over the past year that has been increasingly recognised. We have done a lot of work, for example, with partners involved in attracting Chinese business and visitors to the country, and although we have not dealt with all their complaints, we have made considerable progress. You will have seen the announcement that the Chancellor made on a recent visit about working closely with partners in China on simplifying the process for those who wish to have both a UK and a Schengen visa.

Baroness Armstrong of Hill Top: So why do you get proportionately so few Chinese tourists, given the increase that there has been in Chinese tourism?

Mark Harper MP: We have had very significant growth. In the past quarter, for example, we have had 150,000 applications, an increase of 40%. Our overall performance is very strong. It depends on the numbers that you are looking at. The numbers that are often quoted are simply not sustainable. The idea that France gets seven and a half times more visitors than we do, which I have seen quoted, is simply not supported by the evidence. They issue broadly the same number of Schengen visas that we do, while the exit data from China, where they ask people exiting China which country they are going to, suggest that we get a broadly similar number of visitors. That huge disparity is just not supported by the evidence. There is some tourism survey data, which are often used but are not particularly robust or arrived at with good methodology. The data suggest that we are actually performing very well and seeing strong growth in Chinese students, Chinese business visitors and tourists. That does not mean that there is not more to do. There is. I have met the retail sector and representatives of Chinese businesses in both the finance sector and the manufacturing sector in order to talk through some of the things that we can do to solve some of the second-order problems. The feedback is that we have a pretty good visa system both for visit visas and for work and study.

Baroness Armstrong of Hill Top: We are in a parallel universe, then.

Mark Harper MP: Well, there is a difference between what you sometimes read in the newspapers, the “death by anecdote” story—

Q262 Baroness Armstrong of Hill Top: We are just talking about the evidence that we have had from a range of people, not just from newspapers—I do not think that I have heard the extreme language that the Chairman was talking about. There is hardly a single witness who has not talked about a visa problem.

Mark Harper MP: But can you suggest for me what the problem is, though—a factual problem as opposed to someone's assertion?

Lord Forsyth of Drumlean: What are the numbers of Chinese tourists and businessmen going around the world, and what percentage of them actually come to Britain?

Mark Harper MP: Let me run through what I have in front of me because I am not going to make numbers up. If I do not have some of the figures, obviously I will write to the Committee. Our visa service in China had 300,000 visa applications and granted 96% of them, so 96% of Chinese people who apply for a visit visa get one. We saw a 22% growth in numbers between August 2012 and July 2013, 40% in the past quarter. Our average processing time is less than seven days.

Lord Forsyth of Drumlean: May I just stop you there? How many Chinese people are travelling as tourists? Is it not tens of millions?

Mark Harper MP: It is.

Lord Forsyth of Drumlean: Is 300,000 not rather a small proportion?

Mark Harper MP: No, because the overwhelming majority of Chinese who travel overseas do not go further than Hong Kong or Macau. If you look at the exit data from China, a significant proportion of people travel to Hong Kong and Macau and another significant proportion to Asia. If you look at those who travel further afield, the number of visitors who come to the United Kingdom is broadly comparable to those who come to similar-sized European countries. There is not a massive disparity.

Lord Forsyth of Drumlean: Could you let us have the actual numbers?

Mark Harper MP: Let me write to you with those particular exit data, and I shall set out to you our view of the comparative data.

Q263 The Chairman: Perhaps we had better go straight on to the Schengen issue and the ameliorations that have been suggested. Can you explain to us what those are and how they are going to affect things?

Mark Harper MP: Yes, there are a number of things that we have done in China to speed up the overall process. We have more visa application centres than any other European country. We have also looked at some of our premium services, to pick up Baroness Morris's point, for some of those high-end customers. We have had success recently with some very significant investments in the UK where we delivered a very high level of customer service to some very significant business visitors, which got some very positive feedback. The specific issue that the Chancellor announced on his visit was around making the process much more straightforward for someone who wants to apply for a Schengen visa and a UK one; we will allow them to apply on a single Schengen form with a very small extra amount of UK information. We now allow a passport pass-back process where they can effectively get their visas at the same time, and we are working with some commercial partners in China so that from the customer's point of view it will be a relatively seamless process to make one application and then receive a visa for both the United Kingdom and the Schengen countries. That is what we are working on at the moment with commercial partners, and we are hoping to have something rolled out next year.

Baroness Armstrong of Hill Top: And will that extend beyond China?

Mark Harper MP: That is what we are aiming for at the moment because that is where the specific issue has been raised. Clearly, anything that we roll out in one country we look at rolling out elsewhere. For example, we are planning to roll out the one-day service that the Prime Minister announced on his visit to India earlier this year, which has been very successful, in China and a number of our other high-growth markets across the world. When we try things in various locations and they work, we look at rolling them out to our high-growth markets across the world.

Lord Ramsbotham: To follow up what you just said, you have told us about your great success but it is not just journalists who have complained; universities, businesses and indeed everyone who has come here has complained about the visa process—the bureaucracy, the time, the cost and just the image that it gives all make it difficult. You have talked about your success, but they would not say this to us unless they had concrete evidence of the opposite. I have always had a suspicion about the UK Border Agency as an organisation that what it says is not actually always what it does. I am not just being critical about this, but it is hugely important that we should have the image right.

Mark Harper MP: No, I agree with you. I found this disconnect rather frustrating when I started to do this job. It is absolutely true that lots of people say lots of unhelpful things, but when you meet them and challenge them on the evidence, they do not have the facts to support their assertions. The point that I have made to some of them when I have had this conversation with education providers and universities is that when they have said publicly that everything is dreadful, they then sound surprised that people have listened to the fact that they said that everything was dreadful and think that it is, when the evidence is that it actually is not, and that is not helpful. Our visa performance for visit visas is actually very competitive globally, and you can find people who compare and contrast that. We have seen an increase in the number of students coming to universities. We have seen an overall fall in the number of visas issued to students because we have taken nearly 700 sponsors off the register, as there was significant abuse, but we have seen growth in the number of students coming to universities. We have seen very strong growth from particular countries, such as China. Over the past year we have made significant strides in working with universities in what they call a partnership approach, where the relationship between us and the university sector has improved hugely. I have met Universities UK, the Russell Group and a number of others to work on some improvements to the performance. I think they would agree that we have seen an improvement over the past year in the way we have worked with them. We have delivered some changes to the policies, and I think we have made a significant improvement in the way we deal with students coming to the UK. This is an area where I always like to focus on the facts. I am not disagreeing with you—I know what the evidence to the Committee has been because I have heard a lot of it myself—but when you actually unpick it and challenge people on the assertions that they have made, the evidence does not always back up what they are saying. I am not saying that we are perfect—of course we are not; there is a lot of room for improvement—but some of the things that people assert are simply not true, or the assertions are not backed up by hard evidence. If there are facts that people can point out, I am happy to improve them, but we have to deal with facts and evidence, not just perceptions.

Lord Ramsbotham: Given that they have come to us, obviously hoping that we will help to improve things, I think it is important that we resolve this before our report is published.

The Chairman: Sorry, there is a long queue of people wanting to speak. We must take turns. Have you finished, Lord Ramsbotham?

Lord Ramsbotham: Absolutely.

Q264 Lord Foulkes of Cumnock: Minister, you have asked four times for facts. Why do people in Lesotho have to go to Pretoria to get visas?

Mark Harper MP: In most countries we have visa application centres. There are some countries where we do not have a visa application centre, and people have to come to register their biometrics before we allow them to come to the United Kingdom.

Lord Foulkes of Cumnock: Why do people in Caribbean countries all have to go to a central point? I could go through country after country where you have to travel miles. Sometimes you have to fly from one island to another to get a visa, or go by horseback, because our embassies do not all issue them.

Mark Harper MP: It is a balance between the cost of running the operation—

Lord Foulkes of Cumnock: But you said you did not know of any problems. You said you did not know of any examples. I have given you some.

Mark Harper MP: If we start from the proposition that there are some countries where we have a visa requirement, which we have for good reason, then clearly we have to run that in an efficient manner. It is not possible for us to have a visa application centre where someone can give their biometrics in every single town and village of every single country, so there is a balance and we look at the volume of applications—

Lord Foulkes of Cumnock: I am not saying that they should be in every town and village.

Mark Harper MP: We look at the number of applications and locate those visa application centres. We have a bigger network of those than many other countries.

Lord Foulkes of Cumnock: With respect, you are not helping the Committee. The Committee is trying to find ways to improve the situation. We are explaining all the problems. One of the ways of improving it would be to give European Union posts a consular responsibility to issue visas. That is quite possible, but the Government are setting their face against it. Why? That would improve the situation.

Mark Harper MP: Do you mean that we should allow the European Union posts to make decisions about who we issue visas to?

Lord Foulkes of Cumnock: No, to deal with application procedures. Do you ever go abroad and see what is actually happening on the ground?

Mark Harper MP: I do. I go to our visa posts on a number of occasions. We are certainly open to working in partnership with our European partners for visa application centres. One of the things that we are looking at in China, for example, is whether there is some mutual benefit in working with our European partners on sharing some commercial partners.

Lord Foulkes of Cumnock: To be honest, I am not so worried about China as some of my colleagues are. I am worried about some of the developing countries, like Lesotho, some of the Caribbean countries, some of the Asian countries or some of the other African countries where, in order to get a visa, they have to travel miles or even into other countries. I think you ought to go out and have a look at it. I did in Lesotho. That was a good example. I travelled with the Deputy High Commissioner, who took the machine all the way from Pretoria to issue visas. That was a positive thing, the kind of thing that we should be encouraging, but you are not—you are always defending the status quo.

The Chairman: We want to move on. Just one question on this, en passant: do you consult your opposite numbers at the Foreign and Commonwealth Office about this problem, which is obviously theirs as much as yours?

Mark Harper MP: I do. I have frequent meetings with colleagues from the Foreign and Commonwealth Office, both formal and unofficial. If I pick up concerns from countries, I pass them back to colleagues and we have a discussion about them to see whether there are improvements that can be made.

Q265 Lord Forsyth of Drumlean: Have you had an opportunity to look at the UK China Visa Alliance's written evidence to the Committee?

Mark Harper MP: I have.

Lord Forsyth of Drumlean: That has some numbers in it. Can I just remind you of what they are? It said in its evidence to us that France attracts up to seven and a half times more Chinese visitors than Britain, that the Home Office's figures show that the maximum number of Chinese visitors to the UK in 2011-12 was 210,400, and that in the same period the Schengen area issued 1.185 million visas—six times more. It pointed out that visitors with a Schengen visa can visit any of the 26 member states in Europe, and that only 85% of those Chinese tourists coming to Europe apply for a British visa, and therefore we lose out. You said in answer to an earlier question that the bulk of the Chinese tourists are going to Hong Kong and the others to Asia, but those who are going to Europe visit more than one country. The Chancellor's initiative is very welcome, whereby there will be some arrangements through selected travel agents, but do you agree with these numbers that were included in the evidence or not?

Mark Harper MP: We do not agree with the number that seven and a half times more Chinese visitors go to France than in the UK. That is simply not supported either by the number of visas issued or by the Chinese exit data.

Lord Forsyth of Drumlean: You mean Schengen visas?

Mark Harper MP: Yes.

Lord Forsyth of Drumlean: But Schengen visas enable people to travel to any country in Europe.

Mark Harper MP: But just because they are able to do so does not mean that they do. There is no hard evidence that that is what they do at all.

Lord Forsyth of Drumlean: Some 1.185 million Schengen visas are issued, as against 210,000 for the UK.

Mark Harper MP: Yes, but that is 1.1 million Schengen visas spread over all the countries in the European Union, not just one or two of them.

Lord Forsyth of Drumlean: But you can visit 26 member states with a Schengen visa.

Mark Harper MP: Yes, but if you compare us to comparable countries, the numbers are not significant. If you look at the number of Chinese visitors who go to France, that is not significantly different from the number of visitors who come to United Kingdom.

Q266 Lord Forsyth of Drumlean: The evidence we were given was that if you have a Schengen visa you can visit 26 European countries—there are a lot more of them. If you want to visit France and Germany, you can do that. The evidence also said that most visitors travelled to more than one country, having travelled half way around the world, but if they want to come to Britain they have to apply for a separate visa, and only 85% of the cohort of

people who get as far as Europe do so. We are therefore losing out. Do you agree with that?

Mark Harper MP: We agree that it would be better if more people could apply for both. That is exactly why we have put in place the process that is under way that will make it easier for people to apply for both a UK and a Schengen visa. However, we do not agree with the statistic that suggests that the difference is of an order of magnitude of seven and a half times. I have heard that statistic before; when we ourselves have had a debate with the UK China Visa Alliance, it has put that number to us and we have said that we do not think it is supported by the evidence. Clearly, if you take the whole of the number of countries in the rest of the European Union that are in Schengen, which is a significantly larger number of people than the United Kingdom, it is not a fair comparison to ask whether more people go to that group of countries than come to the United Kingdom.

Lord Forsyth of Drumlean: It is not an argument about fairness; it is about people having the ability to come to Britain as easily as they can go to other European countries.

Mark Harper MP: Correct, and we can be compared to comparably sized European countries. For example, the number of Chinese visitors who go to France is not significantly different from the number of Chinese visitors who come to the United Kingdom, which does not suggest that there is any massive disadvantage in the fact that we are not in Schengen.

Lord Forsyth of Drumlean: How do we compare with Belgium?

Mark Harper MP: I do not know because I have the France numbers in front of me.

The Chairman: If you are Chinese with the wonderful prospect of travelling to Europe and you are applying for a visa, is it more difficult to apply for one of ours than it is to apply for one—a Schengen visa, of course—to France or Germany? Is the administrative form-filling more formidable for us, or is it just about the same?

Mark Harper MP: No, it is not. It is about the same. One of the things that we have done is change some of our requirements over the last year. We have made it simpler and more straightforward in the number of documents that we ask for and in the length of the form, so actually it is not more complicated at all. In fact, we have made the process more comparable, which makes it possible for us now to make the system effectively seamless for people to apply for both together. That is what we are working on at the moment.

Lord Forsyth of Drumlean: Do you agree that only 6% do apply for both together?

Mark Harper MP: Apparently that is the number, yes.

Lord Forsyth of Drumlean: Given the attraction of London and the reputation of Britain, if you have come to Europe, does not the fact that only 6% apply suggest to you that there is a big hole?

Mark Harper MP: It would clearly be advantageous if more people came here. What we are really interested in is the number of people who come here and what they spend when they are here. Of course the tourists who come to just the United Kingdom stay here for the whole of their trip. The danger if we have to work it both ways is that we might get some extra visitors who come here for a short period as part of a wider European tour, but the flipside is that those who come here for the whole of their visit might not stay here for very long and might go to other European countries as well. So there is a downside to this, but it would be helpful if people applied for both visas, which is why we are putting in place the process which the Chancellor announced on his visit.

Q267 Lord Janvrin: You said right at the beginning that there is a reality perception problem, which is patently obvious from the line of questioning. What are you doing about the perception problem? Are you running a major communications campaign? How does it relate to the GREAT campaign that we have heard a lot of? We keep being told that there is a disconnect within government here.

Mark Harper MP: There are two things. First, the Home Office is very much involved in the GREAT campaign, and we have co-ordinated our messaging. For example, we have put some extra communications resource in place in China, and we are using our marketing and communications as part of the GREAT campaign. Our stuff is branded in the same way, and we are working closely with other government departments to have consistent messaging. We do not have separate messaging: we have messaging that is consistent as part of the GREAT campaign.

The second part of the approach is to work with organisations in the UK that do some of the communications. Since I have been doing this job I have had a lot of contact with the university sector, with the retail sector as I said, with the business sector and with various groups focused on specific countries to deal with some of the real problems and with some of the perceived problems, so that we can communicate.

Let me give you an example on universities. I think it is fair to say that we did a better job of communicating the end of the previous post-study work arrangements than we did communicating what are very good arrangements that replace them. If you are a university student in Britain and you are a graduate, it is actually very straightforward to stay here. If you have a graduate-level job paying just over £20,000 a year, you can stay in the United Kingdom. I do not think that we necessarily landed that argument well enough. I think we did a very good job of communicating the change to the previous regime, but I do not think we did a good enough job at communicating this. We have worked with the university sector and large employers at improving the way in which we communicate that. That was a particular issue in India, for example. Many students come from India and want or need to be able to work afterwards. We have seen a significant growth in the most recent UCAS numbers—a 12% increase—in the number of Indian applications, so I think we are starting to get that message over, but that is a good example of where we perhaps did not communicate that we had changed the approach and people went away with the idea that it was more difficult to stay in Britain to work post-university study, which of course is not the case.

Baroness Armstrong of Hill Top: There are other reasons for people to come to this country than to spend money. I know that we want them to, but there are other reasons. I recently did some work with the Tanzanian parliament, and there was great anger there because they felt that Britain did not really want to know them because they have to go to Nairobi for their visas. I have also done some work in Kenya, and there again they are looking much more to other models because they think that the British Commonwealth has lost what it means to them, and a lot of that talk is about visas. If this is about perception, do you see any of your role as doing work with Commonwealth countries on our mutual responsibility and so on? Soft power is about influence. You get influence partly through trade but partly through other things. We are about to have the Commonwealth Heads of Government conference. That will not be an easy conference. Does the Home Office see any of its role as supporting the Commonwealth and its aims and objectives, or does it see that as having nothing to do with visas?

Mark Harper MP: I think we do see ourselves as part of the Government's joined-up approach. We have been involved in the discussions running up to the Commonwealth

Heads of Government Meeting. There are some discussions on the agenda about visas, and we have been involved in that process. We clearly have to balance both the reason why we have visas—there are security challenges in immigration and asylum and so forth—with our absolute focus on the prosperity agenda as well and making sure that people come here to trade and on reputation as well. Where we have real issues, we absolutely want to deal with them, and we have to balance those objectives. If we have real issues that people are raising with us, we absolutely see it as our role to deal with those, and we take the meetings with Commonwealth partners very seriously. I have met a number of High Commissioners and members of their Governments since I have had this role, and I will continue to do so.

The Chairman: Has the issue of distinct treatment for categories of Commonwealth visitors ever been discussed, or, more narrowly, has the issue been discussed of a special kind of treatment for those who are actually subjects of Her Majesty the Queen: that is, citizens of the 16 realms in the Commonwealth that come under our monarchy?

Mark Harper MP: Not as a class, no, but we look at our visa requirements for visit visas on the basis of things that I have set out. We judge those country by country rather than as a class.

Q268 Lord Hodgson of Astley Abbotts: Just by way of introduction, you said that communication was very important, and I suspect that your issue about post-study work options needs communicating closer to home, because unless I completely misunderstood what was said to us an hour ago, we were told that the post-study work option system was not working well and was a major disincentive. My question relates to the quality of the experience for students. It seems to me that our soft power does very well if it is good but very poorly if it is poor. Quite a lot of the Universities UK research that it has done on domestic undergraduates is completely at odds with the anecdotal evidence that you get from talking to students about the quality of the experience that they have. Do the Government look at, consider and see whether we are getting the right values, the right experience, the right life for people when they come here for three years or for whatever period they come for as students from overseas?

Mark Harper MP: I do not think that we commission specific research. We have a dialogue with Universities UK, we talk to them about the experience of students, and we look at the feedback that we get from other organisations, but I do not think that we have gone out and done any ourselves formally. I will check that point and write to the Committee. Clearly we want the experience of applying for the visa and the experience that they get at the border when they arrive to be good, and we have put a lot of effort into making sure that we deliver a good experience at the ports. We have made a huge improvement compared with where we were last year in driving down queuing. We now process 99.6% of passengers through our airports within our service standards, which is not the position we were in last year before the Olympic and Paralympic Games. We have put a lot of work into that and into their experience when they are here. I think we are focused on that and we want them to have a good experience. We want them to be able to stay here. For students who want to say here to work in a graduate-level job and to start their own business, we have some schemes now for graduate entrepreneurs so that they can stay, and we want to expand those. We want students who have bright ideas and want to run businesses, to grow them and to employ people, and we want them to stay in the United Kingdom rather than go elsewhere.

Q269 Baroness Morris of Bolton: Thank you very much. That is really good news on the graduate entrepreneurs. On the graduate-level jobs, I heard a story the other day about a very talented young woman who had graduated and gone to one of the top law firms. She

had gone into a job where she was being paid over £30,000 a year, but it was not classed as a graduate-level job because of the structure within that firm, and therefore she could not stay. I obviously realise that there has to be a benchmark, but I just wonder whether there is room for common-sense application to individuals. It seems to me that when you have a very rigid scheme, very talented people could slip through for a whole host of reasons.

Mark Harper MP: We keep that sort of thing under review. The Migration Advisory Committee looks at a lot of detailed work on, for example, occupations where there are shortages and where employers do not have to do a resident labour market test, and we look at a lot of that sort of information at a very detailed level. It sounds to me as though we need to go away and look at the detail of that example, because it seems to me that a job that is paying a woman £30,000 a year pretty much is a graduate-level job. If you have the specifics of that, I will happily take that away.

Baroness Morris of Bolton: I will try to remember who told me.

Mark Harper MP: But yes, we do need to be sensible. I know that you were given evidence earlier, but there is a balance here between not changing the rules every five minutes and reflecting where people think there are problems. Three years ago when we changed the routes for working, for study and for families to the United Kingdom, that was clearly a big change in our approach. We have tried to keep the broad approach consistent since then, but we do of course want to change the rules in detail where specific issues are flagged up. There is always a balance here between consistency and not changing the rules but responding to genuine issues that are raised with us. Each time the rules have been changed since I have been doing this job, we have made changes to reflect feedback from universities and businesses, and we have made some tweaks to the rules on the length of time people can stay here for and on some of the language abilities to try to fit better with the requirements. So it is a balance between consistency and reflecting change where change is required.

Lord Forsyth of Drumlean: Can I just ask you about the front window for Britain when people arrive at the ports, the airports or wherever? I think you said that you were meeting 98.6%—

Mark Harper MP: 99.6%.

Lord Forsyth of Drumlean: —99.6% of your standards. I will spare you the anecdotal stories of waiting in queues at Edinburgh and London airports to get into the country as an EU citizen. Are you satisfied with these standards? My impression, certainly, travelling around the world is that in Asia the airports are just so efficient. In the UK, the process of getting through immigration or security is so much more of a hassle. Even within the UK, you have different standards. Some require you to take your laptops out and put them through security, others do not. Given the areas of responsibility that you have for immigration—and, I think, for security, although that might be another department—are you satisfied that we are as good as we should be in the way we greet people when they arrive or leave this country, because it is very, very evident that we are way behind the curve compared with many, many other countries round the world?

Mark Harper MP: I will not question your point about how we compare with others. Are we as good as we should be? Probably not. There are clearly different areas of responsibility, though. On the issue of security, which is led by the Department for Transport, there are responsibilities that airports have to deliver. That is one of the challenges for us: having a good relationship with the airport operator and having a joined-up approach. Let me give

you an example. What passengers are really interested in is how quickly they can get off the plane and get out of the airport.

Lord Forsyth of Drumlean: Exactly.

Mark Harper MP: That means joining up the processes. Last year during the Olympic and Paralympic Games, we put a huge amount of resource into processing people very quickly at one of our airports. All that happened then was they backed up in the baggage hall and did not leave the airport any quicker. So we have to work with airports on delivering a good service. We had challenges during the summer with some airports simply not being big enough to deal with the volume of passengers at peak time. For example, at some airports when we have a student surge and a significant number of students arrive, we fully staff every desk that is at the airport but the airport is simply not large enough to deal with that peak. I am confident that we are doing what we can, but there is a limit to what we at the Home Office can do to improve that experience.

Q270 Lord Forsyth of Drumlean: Minister, could I suggest that you take a day off and arrive unannounced? It is certainly not my experience that when you arrive at the airport, every desk is occupied and there are no queues. It may be that I am just very unlucky, but the anecdotal evidence—I know you have statistical evidence—simply belies that. The story that one hears from businessmen and others is that you throw in particular is just one of the worst places, and that increasingly people are looking to Schipol and other airports because of that experience.

Mark Harper MP: I can assure you that when I travel I do not say who I am. I go through the normal process; I am not sufficiently senior to get whizzed through the VIP bits of airports, so I see what it looks like from the customer's end. I have to say that my experience has often been very positive. I have been dying to spot a problem and be able to wander up and suggest that it be fixed, but I have yet to find one. In terms of evidence, take Heathrow: we had some issues there when I started this job. It was off the back of the Olympics. The relationship was not as good as it could have been but it is much better now. Heathrow is very pleased with our performance, and that is not just our statistical evidence—if you look at the work that Heathrow does in surveying its customers about their perception of their experience, the immigration bit of the journey through the airport is actually now rated as pretty good.

Lord Forsyth of Drumlean: How long do you have to wait to be rated as pretty good?

Mark Harper MP: That is about what the customers' perception is. Our service standards—I will give you a rough idea but I will write to the Committee with the exact numbers—is that the service level for an EEA passenger is that they wait for no longer than 25 minutes, and for a non-EEA passenger it is 45 minutes. However, the average waiting times for EEA passengers, for example, are below 10 minutes. However, I will write to the Committee with the facts and the average data, particularly for Heathrow.

Lord Forsyth of Drumlean: And would you be able to provide us with data on what other countries are able to achieve in that respect?

Mark Harper MP: I may be able to if they are published. I do not have them if they are not, but there may be some published data. I will look for you. However, I will certainly give you the data that we have for Heathrow on what our performance is. I think it is now a lot better than it was; we have put a lot of effort into it and recruited extra border force officers. Our relationship with the major airports is very good, and we want to work with them in partnership to welcome more people to Britain. So we have been working closely

with Heathrow and Gatwick, putting in place more e-gates for EEA passengers, for example, so you do not have to wait for a border force officer. We have just launched our registered passenger scheme to replace the IRIS technology, which is now out of date, for regular non-EEA travellers to Britain, who will now be able to use the EEA process and gates to get a faster customer experience. We are also working with airlines on a strengthened fast-track process for their most valued customers.

Q271 Lord Janvrin: Can I come back to students, particularly the bogus student visas? Has that been dealt with successfully, in your view? If so, do you feel that there has been any knock-on effect on genuine student applications because of what you have had to do to clamp down on the bogus ones?

Mark Harper MP: We now have just under 700 fewer sponsors on the sponsor register, so that is partly where we have declined someone's application and partly where they have chosen not to reapply. That has meant that the overall number of students has gone down. When we looked at the evidence, the risk was in the privately funded colleges. Publicly funded FE colleges were less of a risk and universities were a very low risk, so we have prioritised universities in our arrangements and we have seen quite strong growth in the numbers coming to our universities. That is what we want to continue doing. We have worked closely with universities on specific issues regarding them, and we have a good process now. They are keen that we do not make significant changes. They feel that the process works and they want to work with us on what is called a co-regulation approach, where we can raise issues with each other and deal with particular day to day issues that they have. I think that they are broadly content with where policy is and do not want to see any radical changes to it.

The Chairman: Do you think, Minister—we are coming to the end; we have kept you here for almost an hour—that the high mood of the Olympics last year has been somewhat tarnished since then by the continuous commentary on our visa restrictions, or is that unfair?

Mark Harper MP: I am not quite sure. This is a difficult issue. Ministers always take care, even when we are talking about some of the tough decisions that we have to take when dealing with abuse, to put it in the context of welcoming people to Britain who are coming here for the right reasons. We have those balanced messages but they do not always get reported. We cannot always control that, even though we try extremely hard. Some of the commentary is not helpful. I have commented to the university sector, for example, that if they think there are genuine issues, they should please raise them with us privately, and we will see whether we can resolve them. If, having raised them with us privately, they feel that we have ignored them or not taken any notice, they should feel free to criticise us, but it is not very helpful if the first place you go for criticism is to have a dialogue in the pages of newspapers or on television, because that is a self-fulfilling prophecy for bad news. I think that we now have some of those organisations in a better place where they feel that we have a better relationship and can have some of those discussions privately and be more joined up on having a very positive message for the outside world's consumption. We have made some progress there. Do I know what it looks like overall? No, I do not have a very good sense of what the overall view is as perceived by, if you like, the audience. There are certainly some areas where there have been unfortunate messages overseas in reporting. As I said, the London Metropolitan case was one where in retrospect we could have thought a little more carefully about the impact on the students and how that might be perceived. But I think that we have learnt from that and if we ever have to do it again we will deal with the

students in a way that will help international perception. There are some learnings for us there.

Q272 The Chairman: This is really the final question, which we have already heard about in this Committee in the previous session earlier today. Would dealing with the student issue in a more sensitive and attractive way include taking the student sector out of the total immigration figures, an idea that has been put forward by some?

Mark Harper MP: There are two issues here. First of all, I think that that argument started because people thought that if we did not count the numbers we would somehow have a different policy. However, because we have now managed to persuade people that the policy is actually fairly good—if you get your place in university, you can speak English and you can pay the fees, you can come here; it is not actually that hard—I think that people see that there would not be a different policy whether or not you count the numbers. The second is that it is a fact that students who come to Britain for more than a year are migrants. They have an impact on public services and are no more or less migrants than people who come here to work, for example. We should count them; our overseas competitors all do.

Lord Foulkes of Cumnock: But 98% of them go back after they have finished their course. We heard that evidence earlier on.

Mark Harper MP: I am afraid I do not know where that evidence has come from. It is not entirely true. The most recent evidence from the Office for National Statistics, which has just started asking people who are here when they leave—the previous set of statistics was the first one—showed a much lower number of students leaving than you might have expected based on the number who arrived three or four years ago, so I am not sure that that is right. I am not disagreeing with you that that is the evidence that you have been given, but I do not know what the basis is for asserting that 90% of the students who come to Britain leave.

Lord Foulkes of Cumnock: What is the percentage that go back?

Mark Harper MP: The honest answer is that we do not know, and neither do the universities. That is one reason why we have asked the ONS to improve the data on tracking people who leave the UK and seeing how many students leave, and it is doing so.

Lord Forsyth of Drumlean: If you do not know, how do you know you have a problem?

Mark Harper MP: The evidence that the ONS has published this year suggests that it is nowhere near that number of students who leave. However, we do not have brilliant data and we need to improve them. The ONS is now starting to collect those data, which will give us a better picture, but the universities do not have very good data either. The point is that our overseas competitors count students as migrants. The definition of a migrant, as you know—

Baroness Armstrong of Hill Top: Who does?

Mark Harper MP: They all do. All our competitors count—

The Chairman: Including America?

Mark Harper MP: Yes, they do, they count them as migrants. The definition of a migrant is someone who changes their place of residence for more than a year, and that is why all our overseas competitors count students as migrants in their statistics.

Q273 The Chairman: One final, final question, Minister, as we are a Committee concerned with the deployment of soft power and influence abroad: do you and your

department get together and consider the impact of the policies being pursued before trailing or developing them? Obviously we have in mind the “Go Home” vans, which did not make a tremendously good international impression.

Mark Harper MP: We do think about the impact of them, yes. That particular one was a very clear message aimed at people who were in the UK illegally. I do not think asking people who are here illegally to return to their country of origin is an unhelpful message at all. It sends a message that if you want to come to Britain, obey our rules and follow our laws, you are incredibly welcome, but you are not welcome here if you are going to break our rules. I think that is a very good message, but the Home Secretary and I made it clear that the results of the pilot were not as successful as one would have hoped and we will not be repeating that aspect of it. It is worth saying, of course, that the rest of the pilot, which involved advertisements and surgeries working with community groups, was actually quite successful, more successful than the advertising, and those parts of the work will continue. We have published all that information, and I think that there is a copy in the Libraries of both Houses.

Lord Foulkes of Cumnock: I was tempted, Chair, to ask the Minister whether he is enjoying his current job more than trying to reform the House of Lords, but I thought you would rule that out of order so I will not.

The Chairman: Completely out of order but noted. Judging by the smile on the Minister’s face, he obviously finds this much easier. Minister, for an hour you have answered our questions very robustly. Like many, you have the most ministerial task of balance. In a sense, you walk a tightrope and you have to do so with great skill, which I have to say you have done during this session. We are very grateful to you and have learnt from you, and maybe you have a sense of our concerns in this Committee as well. Thank you very much indeed.

Government (Home Office) – Supplementary written evidence

1. Many thanks for inviting me to give evidence to the Committee on Soft Power and the UK's influence on 11 November.
2. As I said at the time, we should ensure that the debate about the impact of immigration policy and visas on the UK's economic interests is based on factual evidence rather than on anecdote. It is important that everyone here in the UK does not exacerbate myths and negative perceptions by using misleading data which doesn't help the UK's cause. The messages are simply relayed directly into the markets we are targeting and given extra credence from having originated in the UK.
3. So I'd like to take the opportunity provided by this letter to set out some of these facts and ensure that we promote the positive immigration and visa offer that we have for legitimate travellers and migrants. The Home Office wants to play our part in attracting more tourists, businesses and investors to the UK and will continue to work closely with partners to ensure that we do so. We have many positive relationships which we want to continue to build on.

Chinese visitor numbers to the UK

4. We had a discussion about the claim that over seven times as many Chinese visit France than the UK, a figure quoted in the evidence provided by the *UK China Visa Alliance* and used frequently elsewhere. We think this number has been calculated by taking the French government statistic that France received 1.4 million tourist arrivals from Chinese nationals in 2012¹¹⁵ and then dividing it by the number of UK arrivals (but we are unsure exactly what UK figure is being used¹¹⁶).
5. To start with, the 1.4 million figure is not credible in the light of wider statistics. For example, the whole of Schengen issued just 1.18 million visit visas to Chinese in 2012¹¹⁷ so it seems highly unlikely that these figures accurately reflect the number of visitors to France that year, even allowing for visits to France by holders of Schengen visas issued by other countries. Furthermore, in 2012 the UK issued 210,000¹¹⁸ visit visas to Chinese nationals compared to 277,000¹¹⁹ visit visas issued by France to Chinese nationals in the same year, nothing like seven times as many. In addition, Chinese exit data on first destinations for Chinese travelling abroad (and the one set of figures which are directly comparable across all destinations) actually shows that UK was the top European destination in 2010 and second only to Italy in 2011¹²⁰. This may in part reflect Chinese

¹¹⁵ DGCIS: http://www.dgcis.gouv.fr/files/files/directions_services/etudes-et-statistiques/etudes/tourisme/2013-07-4pages-28.pdf

¹¹⁶ Arrival data actually shows that there were 224,600 Chinese visitor arrivals in the UK in 2012 which, even if comparing this with the unlikely 1.4 million figure, would not equate to 7.5 times as many:

<https://www.gov.uk/government/collections/immigration-statistics-quarterly-release> Admissions Table ad_03 and ad_03_o

¹¹⁷ http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/index_en.htm

¹¹⁸ <https://www.gov.uk/government/publications/tables-for-immigration-statistics-april-to-june-2013> Table be_06_q_o. Note that UK visitor figures do not include student visitors.

¹¹⁹ http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/index_en.htm

¹²⁰ **Top 20 Chinese outbound destinations, 2011 (EU countries shaded) (see table on next page)**

Rank	Country/ Region	Visits	Change on 2010
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travel routes into Europe, rather than visitor destinations, but again does not suggest such a disparity as claimed.

6. It is also often claimed that France is gaining market share quicker. Again, the same statistics do not support this. The growth in visitor visas issued to Chinese nationals in the UK has been broadly the same as that for France over recent years. Chinese visitor visa numbers increased by 36% for the UK and 39% for France from 2010 to 2012¹²¹. The French and UK share of the total Schengen and UK visas issued have both remained steady¹²² (albeit that visa numbers will not necessarily be exactly comparable, reflecting differences in national systems). The Chinese exit figures quoted in paragraph 4 above also show the growth of numbers travelling to the UK to be greater than those travelling to France between 2010 and 2011. Taken together, these statistics do not support the claim that French market share is outpacing the UK's.

1	Hong Kong	28,320,700	+22.60%
2	Macao	19,765,300	+22.70%
3	South Korea	2,367,800	+20.30%
4	Taiwan	1,845,000	+11.00%
5	Malaysia	1,737,800	+68.10%
6	Japan	1,627,900	-17.30%
7	Thailand	1,522,600	+50.10%
8	USA	1,360,400	+26.30%
9	Cambodia	1,215,500	+231.00%
10	Vietnam	1,141,500	-5.70%
11	Singapore	1,004,200	+21.60%
12	Russia	809,600	+13.90%
13	Australia	652,300	+19.60%
14	Indonesia	578,600	+23.40%
15	Italy	381,200	+40.20%
16	UK	376,200	+20.40%
17	Canada	369,800	+20.90%
18	Germany	334,000	+16.40%
19	Mongolia	325,500	+43.70%
20	France	321,200	+17.50%

Source: 2011 Chinese Tourism Industry Statistical Report

¹²¹ Visit visas issued by the UK and selected Schengen countries, 2010-2012

	2010	2011	2012	% growth 2010-11	% growth 2011-12	% growth 2010-12
UK	154,533	198,577	210,344	28.5	5.9	36.1
France	198,898	237,679	277,099	19.5	16.6	39.3
Germany	184,374	208,287	236,258	13.0	13.4	28.1
Italy	151,547	230,166	268,348	51.9	16.6	77.1
Total Schengen	778,501	1,026,171	1,185,569	10.0	15.5	52.3
Total (UK plus Schengen)	933,034	1,224,748	1,395,515	31.3	13.9	49.6
Percentage of total by country	UK – 17% Fra – 21% Ger – 20% Italy – 16%	UK – 16% Fra – 19% Ger – 17% Italy – 19%	UK – 15% Fra – 20% Ger – 17% Italy – 19%			

Source: Home Office Immigration Statistics (UK data), European Commission (Schengen countries)

¹²² Also see table above.

7. This does not mean we are complacent – we want to continuously improve our visa operation both in China and globally. We have announced significant enhancements to our visa operation in China recently – a pilot to better join up the UK and Schengen application process, a new 24 hour visa service to be launched by the summer of 2014 and expansion of our VIP mobile visa service. Our average processing time in China during the first half of 2013 was under seven days against our target of 15 days, despite a 30% increase in applications. We grant 96% of applications we receive. As the *UK China Visa Alliance* themselves acknowledge, the performance of the visa service is not the main problem¹²³. Instead they say it is that not enough Chinese are applying for a UK visa. As recent polling suggests¹²⁴, Chinese preferences for travel within Europe depends on a wider range of factors beyond visa issues. We all, government as well as the business, education and tourism sectors, need to work together to promote all aspects of the fantastic offer which the UK provides.

Visa application points overseas

8. The Committee also heard evidence about applicants (in Lesotho specifically) having to travel to other countries to make a visa application. The UK has a market leading number of visa application points around the world - over 200 (and over 300 if you include application points using foreign government facilities in the US and elsewhere). We have 12 in each of India and China alone (compared to three or four on offer from most of our competitors).
9. We can't have a visa application point everywhere, so our global visa network operates a "hub and spoke" model, with the location of our visa application centres (VACs) determined by demand, cost and convenience to the customer. Following the recent successful procurement of a new tender to manage VACs, we will be further expanding the number of application points over the coming year.
10. In particular, the Committee discussed application points in Africa. There are 30 application points across the region and five decision making hubs. The location of the application points have been selected to maximise value for money whilst ensuring customer convenience. In a small number of locations, applicants are required to travel across borders to submit an application. However the visa operation does seek to expedite consideration of these cases to ensure they are still determined within our published customer service standards. For example in Lesotho we receive 250 applications a year and customers have the option of applying either at any of the VACs in South Africa or directly at our in-house application point in Pretoria. A similar position exists for applicants from Swaziland.
11. We recognise the commercial importance of Africa and are working with UKTI and the Foreign & Commonwealth Office to promote growth by ensuring access to the UK through our visa service including expanding new premium and priority services. At the same time, we are also required to manage the potential risks of illegal immigration and

¹²³ Paragraph 21 of UKCVA evidence to the committee: "the main issue is not the under-performance in terms of processing and issuing visas".

¹²⁴ IPSOS MORI polling indicates that Chinese nationals appear to prefer Paris as a place to do business, live and to visit, compared to other European locations. See slide 33: <http://www.ipsos-mori.com/Assets/Docs/Events/Ipsos-Top-Cities-September-2013.pdf>

crime emanating from some regions – overall the continent sees some of our highest visa refusal rates.

Graduates

12. Other evidence to the Committee cited the end of the Post Study route as being the cause of many talented graduates not able to remain in the UK at the end of their course. In fact the UK has a highly competitive offer to international students even if, as I mentioned in my evidence, there remains more to be done to ensure this is communicated effectively. Against this background, I thought it might be helpful to set out the current options for students to stay on in the UK to work after their studies.

- Students who obtain a **graduate level job**¹²⁵ earning £20,300 or more may remain after their studies on a Tier 2 work visa. There is no limit on the number of these places, which are exempt from the cap on economic migrants. Their employers do not need to test the UK labour market before employing former international students, provided the job is at the right skills level and paid an appropriate UK salary for their occupation. We have set the salary level at only the 10th percentile of UK earnings for each occupation, for these new entrants to the labour market – compared with the 25th percentile for migrants who have not studied in the UK.
- Graduates who wish to undertake a period of **professional training** relating to their degrees, before pursuing a career overseas, may do so by switching into an appropriate Tier 5 scheme. This is not a route to permanent stay, but there are no salary requirements (other than National Minimum Wage). In October we expanded this provision to include corporate internships.
- Students **completing a PhD** or other doctoral qualification at a UK university can stay for a year under the Tier 4 Doctorate Extension Scheme. This scheme was set up in April, and allows completing students to work, gain experience in their chosen field, or set up as an entrepreneur, again with no limit on numbers.
- Graduates who wish to stay to develop a business idea can do so under the **Graduate Entrepreneur scheme**, the first in the world of its kind. All they need is an endorsement from their Higher Education Institution that they have a genuine and credible business idea, to have graduated, and to have enough funds to support themselves. The scheme also provides an easier route to switch into the main Entrepreneur category, which leads to settlement. In April this year we doubled the number of places on the scheme, creating an additional 1,000 new places for those who have completed an MBA in the UK or abroad.

13. While they are studying, university students can gain paid work experience in casual jobs or on formal work placements, and they can also undertake internships. All university students whose course lasts a year or longer are given leave lasting four months beyond the end of their course, during which they can make arrangements to stay under one of the post-study work schemes.

¹²⁵ A graduate level job is a job skilled to NQF (National Qualification Framework) level 6 or above as set out in the Home Office Codes of Practice for Skilled Workers available at:

<http://www.ukba.homeoffice.gov.uk/sitecontent/documents/employersandsponsors/pointsbasedsystem/cop-skilled-workers.pdf>.

14. Under the previous system, all graduates could obtain two years' unconditional access to the labour market, enabling those taking even short courses to stay on in low-skilled work. Our new, more selective approach has cut out this abuse while enabling the brightest and best students, who can contribute the most to our economy, to stay to take skilled jobs and develop a career.

Counting students as migrants

15. The Committee was provided with evidence that 98% of students leave the UK and there was therefore a strong argument for not counting students within the net migration figures.
16. Firstly, the best evidence currently available suggests that significant numbers of students are staying on in the UK. The number of migrants entering the UK for formal study trebled between 2001 and 2011 to 250,000 a year, but the latest Office for National Statistics (ONS) net migration statistics show that the numbers of non-EU nationals leaving the UK is not increasing. This suggests that large proportions of those students are still in the UK. 13% of those given settlement in 2009, and 16% in 2010 and 2011 – around 20-24,000 people each year – originally came as students.
17. The Home Office's series of reports on *The Migrant Journey* aim to improve our understanding of migrants coming to the UK, their countries of origin, their purpose for migrating and how long they stay. These remain the most complete picture of the behaviours over a five year period of those who have come to the UK on student and other visas. The Third report¹²⁶ shows that 25% of students who came to the UK in 2004 were still here legally in 2009. For migrants arriving in 2005 and 2006, a similar proportion of those who entered as students remained in the UK after five years – 21 percent and 18 per cent respectively were still legally in the immigration system in 2010 and 2011. The figures of course do not capture any that may have remained unlawfully.
18. Improvements to ONS methodology mean that the net migration statistics now include data on the number of students leaving the UK. These statistics, available for the first time in August, showed an estimated 49,000 non-EEA students left the UK in 2012 compared with 139,000 who arrived during the same year¹²⁷. Further analysis of these statistics will make it possible, in due course, to determine with greater certainty how many students fall into this category, and how many stay for longer periods.
19. Secondly, the UN's definition of net migration includes all migrants changing their place of residence for 12 months or more. This acknowledges that all migrants, students included, have an impact on communities, services and infrastructure for the time they are here. Of course, net migration measures the difference between the number of people coming to the UK and the number leaving, so where students return home after their studies, their impact on long-term net migration is minimal. Improvements to ONS methodology will make it possible, in due course, to determine with greater certainty how many students fall into this category, and how many stay for longer periods.

¹²⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/143930/horr69-report.pdf

¹²⁷ <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-320130> see Table 4

20. It was claimed in evidence to the Committee that the US excludes students from its net migration figures. This is not the case. ONS have now published guidance that makes clear that the claims that students are excluded from net migration in ‘competitor countries’ are unfounded¹²⁸.

Research into the experience of international students in the UK

21. I informed the Committee that I did not think the Home Office had done any research into the experience of international students at UK universities and that is correct. However in September, the Department of Business, Innovation and Skills (BIS) published a report on the wider benefits of higher education, which included some material on students’ experiences¹²⁹. It found that: *“The overwhelming majority of alumni are very positive about their experience, and consider that the mix of skills and experiences gained during their UK study period directly contribute to enhanced career progression and wider personal development.”*

Border queues

22. We publish our performance in processing passengers at the border on the website¹³⁰. The service standards for queuing times at the UK border are that 95% of European Economic Area (EEA) passengers should queue for no longer than 25 minutes; and 95% non-EEA passengers no longer than 45 minutes. The most recently published figures confirm that queue performance at national level is 99.6% (Quarter 1 of 2013/14).
23. The most recent data for Heathrow (October 2013) shows that 100% of EEA and 99.73% on non-EEA passengers passed through the queues within their respective 25 minute and 45 minute targets. The average queuing time for EEA passengers at Heathrow was two minutes and five minutes nationally. For non-EEA passengers these figures were six minutes and seven minutes for Heathrow and nationally respectively.
24. Non EU Travellers who have previously benefitted from using IRIS may be eligible to use our new Registered Traveller Scheme. This commenced on 24 September 2013 and will allow pre-approved travellers who meet certain criteria to gain expedited entry to the UK.
25. Initially passengers meeting the following criteria will be able to apply for the Registered Traveller Scheme:
- previously registered to use IRIS; and
 - from the United States, Canada, Japan, Australia or New Zealand; and
 - someone who has completed a minimum of four trips to the UK in the last year; and
 - a short term visitor to the UK aged over 18.
26. The ePassport Gates use facial recognition technology to compare the faces of passengers to images held in their biometric ePassports in addition to biographical and

¹²⁸ See page 15, para 3.13: <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/population-and-migration/international-migration-methodology/long-term-international-migration---frequently-asked-questions.pdf>.

¹²⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/240407/bis-13-1172-the-wider-benefits-of-international-higher-education-in-the-uk.pdf.

¹³⁰ <https://www.gov.uk/government/publications/clearance-of-passengers-at-the-border-within-published-standards>

security checks. They provide passengers with a secure, self-service alternative to the conventional manual control and do not require pre-enrolment.

27. Any adult UK or European Union/European Economic Area national with a biometric chipped passport, issued since 2006, can continue to cross the UK Border automatically by using the ePassport Gates. The system is designed to process high volumes of legitimate travellers allowing us to deploy Border Force Officers to other areas of risk whilst maintaining the security of the UK border.
28. To date, over 25 million passengers have used the ePassport gates at 15 air terminals since they were installed between 2008 and 2010. Passenger numbers are increasing with over 10 million passengers using them in the past year and over 1 million a month during the summer (June – September).
29. We have now agreed the design and supply of the second generation of ePassport Gates that will have a one-stage process, intended to provide a faster and simpler passenger experience. The first installation of these took place in Gatwick South Terminal and became operational on 31 October 2013.
30. ePassport Gates will be introduced, replaced or their numbers increased where there is a clear and quantified business need and benefits established.

Mark Harper MP

3 November 2013

Government (Rt Hon Maria Miller MP, Department for Culture, Media and Sport and Michael Fallon MP, Department for Business, Innovation and Skills) – Oral evidence (QQ 329-342)

Evidence Session No. 20

Heard in Public

Questions 329 - 342

MONDAY 9 DECEMBER 2013

Members present:

Lord Howell of Guildford (The Chairman)

Baroness Armstrong of Hill Top

Lord Foulkes of Cumnock

Baroness Goudie

Lord Hodgson of Astley Abbotts

Baroness Hussein-Ece

Lord Janvrin

Baroness Nicholson of Winterbourne

Lord Ramsbotham

Examination of Witnesses

Rt Hon Maria Miller MP, Secretary of State for Culture, Media and Sport, Department for Culture, Media and Sport, and **Rt Hon Michael Fallon MP**, Minister for Business and Enterprise, Department for Business, Innovation and Skills

Q329 The Chairman: Good afternoon. You are two extremely busy Ministers, and the affairs with which you are concerned are also the matters of great interest to this Committee. Our remit is Britain's influence overseas and the deployment of so-called soft power in all its meanings. We are extremely grateful to you for being with us. I should just formally say that I have to state that the clear interests of the Committee are before you, so you know where we are all coming from. If we have a Division, we will have to break for five minutes, but let us hope that we do not. Could I begin with a rather obvious question, but a big one? It covers both the briefs and concerns of both your departments. In your case, Mr Fallon, you cover the work of more than one department. I do not know how you have time to do it but you do. The creative industries are said to produce 10% of our export earnings—about £36 billion, which is enormous; and you, Secretary of State, are on record as saying—I will get your actual words to quote back to you, if I can find them—"we are using our arts and culture as a calling card, as a foot in the door, when we are trying to land trade deals abroad". All that means, I think, is that you see yourself as part of the spearhead of the whole international image and trade business that puts you right at the forefront. I will start with you, Secretary of State, if I may, and then I will come to the Minister of State. Is that the way you see it?

Maria Miller MP: Yes, Chair, that is very much the way we see it in our department. Culture, heritage, sport and the creative industries are a very important part of our economic growth story, both at home and abroad, particularly the use of culture and

Government (Rt Hon Maria Miller MP, Department for Culture, Media and Sport and Michael Fallon MP, Department for Business, Innovation and Skills) – Oral evidence (QQ 329-342)

heritage as a way of engaging with both established markets and the new and developing markets that we are developing those trading links with. I saw this very much at play last week in a trade delegation to China, at which we had 120 people—the largest ever trade delegation to China—which had a very healthy cohort of creative industries and a programme with a very strong series of cultural meetings to ensure that we were both supporting British cultural activities in China and encouraging more Chinese cultural activity at home.

The Chairman: Would it be right to say that there are three legs to it? First, the creative arts themselves are huge export earners. Secondly, the proposition, which the British Council, among others, has put to us, is that activity on the creative arts leads to big trade deals of business. Thirdly, it all adds up to making Britain an attractive place in which people want to invest their money. Is that a reasonable division of the possible goals and objectives of your work?

Maria Miller MP: Yes, although I would go one step further and say that a great deal of what I am trying to do in my department is to build the reputation of the country abroad, both through the direct work that we do as a department and in support of other cultural institutions. I could draw on my recent visit to the US to bring that to life. The British Museum has supported the Cyrus cylinder by going not only to the very far flung corners of the world but to the Getty Museum in the US to continuously underpin our reputation as a strong country in the US and to build that trust. This is about building reputation but it is also about building brand trust. Ultimately, as we face an increasingly global business environment, we have to view our British brand as something that we build and guard jealously. Part of that is building the trust in our brand, and culture and heritage are ways in which we can build trust in our brand, which I think has a very strong reputation internationally.

The Chairman: In a sense, one can almost see a bridge growing between you and the Minister, because it sounds as though you are in the same business in a way. Would it be fair, Minister of State, to say that that is so, and do you have lots of meetings with the Secretary of State and her Ministers about these common aims, which are to promote British industry, business and exports around the world?

Michael Fallon MP: Good afternoon. The Secretary of State has put it extremely well: this is about building trust in a global trading environment that is increasingly competitive. We have a very strong brand in Britain, and it is absolutely right to use every means we can to draw attention to it. It of course gets you in the door, but it does not guarantee the contract or anything like that. Companies still have to get on and do that, but cultural activity and artistic exchange are all part of making other countries aware of the attraction of doing business with Britain and making them feel better about us. The word “trust” probably hits it on the head. It is extremely important.

The Chairman: Of course, this is in a sense an enormous family. The other day Keith Nichol, head of cultural diplomacy in your department, remarked that there were 1,400 arts and cultural organisations. How on earth do you shepherd them all together, or do you not try?

Maria Miller MP: Those 1,400 institutions—I am sure there are many more—do not necessarily look to our department for support and help in the work that they are doing overseas. It is important that they have autonomy. The work that they are doing is hugely important and is very much driven from their ethos and objectives as independent organisations, but those that have public funding attached to them in some shape or form

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have a great understanding of the need to work together wherever possible. When I became Secretary of State just over a year ago I asked to see a list of the activities that might be happening in different countries, and it became apparent that it was not necessarily something that was regularly pulled together. So in the past 12 months we have established a system, which we will roll out as of April, for pulling together the huge array of activities of our cultural institutions, whether it is the British Museum, the Hallé orchestra, the Birmingham symphony orchestra and every organisation in between, to try to get a feeling for what activities are going on in which country, so that we can not only support them as Ministers but play them into the work that we are doing to develop those countries as trading partners.

Q330 The Chairman: This is a question which you are both bound to answer with a yes, but do you feel that you both get enough support from the Cabinet and other departments and from the National Security Council and other co-ordinating machinery in government that realise that this new era of huge emphasis on the softer and more powerful influences on our exports and interests is growing apace?

Maria Miller MP: I think I could answer for both departments and say yes, because we work jointly through the GREAT campaign programme board. I chair that, but we have representatives from UKTI, BIS and a whole host of organisations, including our tourism organisation VisitBritain, to come together to make sure that our approach in this area is co-ordinated. Of course each department will have its own objectives, but we can come together with an understanding that, particularly through the GREAT marketing campaign for Britain, our objectives can very much go together and we can have a common marketing approach.

The Chairman: Is that the way it looks from BIS as well, Minister?

Michael Fallon MP: Yes. If I may say so, since I was last in government about 20 years ago the Whitehall departments are far more joined up now. We have more Ministers who are common to both departments. We have more organisation partnerships between industry and government and involve Ministers from more than one department. The Creative Industries Council, for example, involves Ministers from DCMS and from BIS. It is more joined up.

The Chairman: Can we move on to the image side of this, as we have touched on the GREAT Britain campaign?

Q331 Lord Foulkes of Cumnock: Chair, could I ask a follow-on question, because I am still not absolutely clear how it is co-ordinated within government? When we started taking evidence, it was suggested that the National Security Council had a role. Then we got lots of evidence that the Foreign Office was at the front, because it was the department that had all the embassies overseas. Then we were told that the GREAT campaign programme board, which you chair, co-ordinates it across Whitehall. I am not just talking about the marketing campaign; I am talking about the whole idea of the development of soft power and using it right across the board. How is that co-ordinated?

Maria Miller MP: You are right that the National Security Council takes a clear interest. I have certainly attended meetings and talked about soft power, but if you are looking for one fulcrum where Ministers come together on a practical working level and agree objectives and focus it really is through the GREAT programme board. That is not to say that every aspect of UKTI, DCMS or FCO activity is agreed through that meeting, but it gives us the opportunity to come together and see where our shared objectives are and to co-ordinate

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them. Hugo Swire is our Foreign Office Minister on it and is a hugely important part of the work that I do overseas, as indeed are UKTI, Lord Green and VisitBritain. For me—I cannot speak for others—the GREAT programme board is a way of coming together. Of course, you are never going to have one place where every detail is discussed, but that is where we really get that common understanding of how we can work together.

Lord Foulkes of Cumnock: I know that Michael says that things have changed over the years in government and that there is much more co-ordination. My recollection, however, was that the officials play a part in putting up the agenda, putting forward ideas and so on. We had evidence last week from the guy in charge of the GREAT campaign. He had a minder with him, Mr Aiken, who is head of government propaganda—sorry, public relations. Who comes forward with the ideas?

Maria Miller MP: I think you will find that this is very ministerially led. You can hear the passion from me on my side about the role of DCMS and culture in the soft power agenda. But of course it is multifaceted. Education is a critical part of this. If you talk to David Willetts, he will of course talk to you about some of the work that he has been doing on the educational side of things. You can talk to UKTI and now Lord Livingston.

Lord Foulkes of Cumnock: But that is the point: it is so multifaceted that we are not quite clear how everything is brought together. The GREAT programme committee does not seem to bring together all the aspects of our image overseas and the Foreign Office.

Maria Miller MP: With respect, it does, and of course this is a very new approach. Britain has not really marketed itself in such a cohesive way before. Conrad Bird, who is our campaign manager, if you like, and is probably the person you were referring to, is helping us operationally to develop the campaign on the ground, but I think you will find that this is very much led by Ministers because of the great belief and understanding that to be able to be successful in overseas markets we have to be able to market ourselves successfully and that a great deal of the work that is being done by our cultural institutions softens the ground and makes sure that our reputation and levels of trust are high. Equally, the work that is being done by educational establishments overseas has a very powerful role to play, and if you are looking for a simple answer you will not find it. It is a multifaceted approach that really shows the commitment at a very senior ministerial level for all departments to play their role in the economic growth of this country, and that at the heart of that economic growth is our export focus, particularly into new markets. It is complicated and is dealt with by many Ministers, but that is quite deliberate.

The Chairman: Image and perception are what I want to move on to now, and indeed a lot of other things as well. Baroness Nicholson will start on that.

Q332 Baroness Nicholson of Winterbourne: Thank you very much. I was pleased to see that the Chinese Government supported global time and so identified tourism and overseas study, and Britain being suitable for both those things, so congratulations on those points at least. Are we making the maximum use of outside opportunities through the department? I am thinking particularly of our membership of UNESCO, where we have a tremendous friend in the Director-General, Irina Bokova, who visited a few days ago and has just been reappointed and re-elected for the next four years. In UNESCO, Britain having one of the prime languages, we have major opportunities. I wondered whether in fact more people around us would somehow maximise our unique heritage, cultural, English language, educational, BBC and British Council opportunities. Is there more that the department can do?

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This is a question for Michael Fallon on the same point. It was a little sad to see that the Chinese Government chose to make that statement during the time that our Prime Minister was taking one of our very best and biggest delegations to China. Is there a way in which we can use such delegations or other such activities not just to counter such statements that promote our business and industry excellence much more powerfully than we have done so far?

Maria Miller MP: I also noted the article that you referred to. I just say carefully that the Prime Minister had meetings with both the Premier and the President of China the previous day, so I think our relationship with China goes to a little more than just tourism and education. Although both of those are very important, the fact that we landed £6 billion of trade deals during that delegation's three-day visit gives you some indication of the growing power of the business relationship between China and Britain at a fundamental level—important deals, including those with JCB and Rolls-Royce. That is not to take away from the importance of tourism and education, because of course the way in which individuals first build their relations or their trust in a country can often be through a visit or learning a language. Those are very important ways to build soft power between our two nations.

You raised the issue of the role of third-party organisations in building a strong brand for Britain around the world. You raise an important point. If you were going to invent a brand called Great Britain, you would want one that had one of the most important languages in the world, English, associated with it. You would want one that had some of the most incredibly established and iconic cultural institutions, like the British Museum, the British Library and the V&A. You would also want to give it membership of wonderful organisations like UNESCO and the United Nations. That is part of who we are as a nation, although I think it is important that as a nation we also stand by ourselves and are able to be individualistic, as well as part of larger groups and bodies. That would be my perspective.

The Chairman: Minister of State.

Michael Fallon MP: It was a curious quotation that the UK was only suitable for tourism and overseas study in the week in which the Prime Minister and his delegation absolutely underlined that the United Kingdom is suitable for investment. We saw major trade contracts signed, as the Secretary of State said, but also, I think, the beginnings of a much more intense period of investment by the Chinese here in Britain in our infrastructure, not least in our civil nuclear programme, coming in as partners behind EDF in the new reactor at Hinkley Point C, offering to participate in our railway infrastructure in High Speed 2 and getting involved in a whole series of other infrastructure projects from ports through two airports. So it was a curious quotation not really borne out by the facts.

The Chairman: Why do you think he said it? Had we irritated the Chinese in some way?

Michael Fallon MP: It was not said by the Government. Perhaps the Secretary of State can comment because she was there, but it was not said by the Government. It was a remark in one of the papers, the *Global Times*. I think those papers are all quite close to the Government, but it certainly was not an official remark.

Maria Miller MP: I think that the wonderful reception that the entire delegation received was probably a strong indicator of a very good and growing relationship. We had a very successful visit and I think that the facts from the visit probably speak louder than words in an article.

Baroness Nicholson of Winterbourne: Michael is commenting on the reality. We are talking about what came across, which was not that hard reality. How can we deflect those

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negative images and put the positive image forward? That is really what the question is about.

Michael Fallon MP: It is through intense work. It is through deepening the relationship and intensifying the trade flows in either direction. Taking 130 companies to China is certainly a mark of how seriously we take that particular market. The Prime Minister's visit followed the Chancellor's visit the month before. Before that, the Energy Secretary was there, and so on, so there is fairly intense engagement now with China to build up our trade and make it very clear to the Chinese that they are welcome investors here in the United Kingdom. I do not think that we would be deflected by the odd critical remark.

The Chairman: Lord Ramsbotham, you wanted to come in on this?

Lord Ramsbotham: No, I wanted to comment earlier.

The Chairman: We have already touched on the Great Britain aspect and have had some very useful evidence before the committee about it. That is co-ordinated at the Cabinet Office, is it not?

Maria Miller MP: Yes, I chair the GREAT programme board.

The Chairman: Sorry, the GREAT programme.

Maria Miller MP: Yes, the secretariat is through the Cabinet Office, I think.

The Chairman: Do you find that there is a good balance between us telling us what the world what we can do and us puffing up our reputation a bit? Is there a danger on that second front?

Maria Miller MP: It is interesting, is it not? We have a great British tradition of being understated. One could look at the GREAT campaign and think that that may be slightly at odds with that. I think that in a global market, you have to be prepared to put forward an extremely positive profile for our country. I think the days are gone when we can be shy and understated. We have to be proud, as I think people are in our country, of what we stand for, whether it is our technological innovations, scientific prowess, our educational expertise or our culture and our heritage.

Q333 Baroness Nicholson of Winterbourne: Does the Secretary of State see a useful way in which Britain could play a far more prominent role in UNESCO? We removed ourselves from UNESCO for a while, but we are now back and UNESCO has welcomed us back. Can the Minister perceive a way for us to provide a much bigger image for Britain through a much greater intervention in UNESCO's work internationally? Would be in our interests to do so?

Maria Miller MP: I think it is in our interests to make sure that, when we are projecting a reputation or our brand image internationally, we are clear that it is Britain that we are selling. That is important. If we are members of other organisations, whether it is the EU or UNESCO, that can always be of benefit, but ultimately the campaign that we are projecting is in support of our individual country's trade. It is important that we have that single-mindedness, albeit knowing that in any campaign we will have comments from various quarters. I certainly recognise that some people find our campaign to be quite up front, and it is quite deliberately designed to be that.

Baroness Armstrong of Hill Top: We were discussing with people from the GREAT campaign how much it benefited them that this was driven by government, because much of the evidence that we have had, for example from Joseph Nye, who worked out the whole

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concept of soft power, is that organisations such as the BBC are really powerful internationally in influence about Britain precisely because they are not government-run. How are you making sure in your department that you get that balance right, and what has your experience been of whether something that you say as a government Minister helps or hinders our influence with particular countries?

Maria Miller MP: I think Baroness Armstrong has absolutely hit the nail on the head: it is getting that balance right. You draw on the example of the BBC, and I think you are right. There is a great deal of evidence that suggests that people's knowledge of the BBC adds to their positive image of Britain. Whether or not what they have seen on the BBC has been positive or negative about the Government really does not matter. They know that the BBC is independent, and that says a lot about our country, so the profile of BBC is incredibly important.

I do not think that an organisation such as the BBC could or should be masterminding a campaign for selling Britain as an entity abroad. I know from talking to Tim Davie that he is very supportive of our GREAT campaign and is working closely with my colleague, Ed Vaizey, on a new board that is looking at cultural exports, so we are working very closely with the BBC in that respect. I think there is a very real and important role for government to carefully support the promotion of our country abroad. You are right that we have to do that with great sensitivity. Certainly when I am looking at our cultural organisations, I very much respect, first and foremost, that it is their agenda abroad that is most important. As that fits into what the Government are doing, it fits in, but it is not driven by the Government.

The Chairman: No. But you think, Secretary of State, because you said so, that the BBC has damaged itself a bit by some of its recent scandals.

Maria Miller MP: But I think you have to take a far longer view of the BBC. It is an organisation of the most incredible credentials. Of course, organisations will go through a tough patch, and it has been going through a very difficult period. I hope it is coming through that now. None of us should underestimate the importance of the BBC as part of who we are as a nation. I am sure that any problems that it has been experiencing in recent months and years will be things of the past very soon.

Q334 The Chairman: Time is of the essence, and I want to move on to hard results of all this: namely, our exports. Are exports doing better? Yes. Are they anywhere near good enough and ahead of the game? No. Minister, this is your main concern. I hope it does not keep you awake at nights, but I am certain that it is the first thing you think about in the morning. How do we turn these great soft power assets that we have into earnings and prosperity? Are we doing enough and where should we be doing more?

Michael Fallon MP: I think we can always do more. There has been a much tighter focus now on where we can do more to strengthen our performance in some of those emerging markets where traditionally we have not been doing particularly strongly but where we now are. You see that across the board, not simply in trade delegations led by the Prime Minister or the Deputy Prime Minister but a much more intensive effort by UKTI in some of those markets, which is already beginning to yield results. We have seen some quite encouraging increases in the share of our trade with China, Russia, Brazil, and so on, which I think show that where there is greater focus, results will follow.

In many cases, of course, they have followed from the exercise of soft power. When I was in Brazil recently, it was the delivery of London 2012 that opened almost every door. I saw the

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reputation that Lord Coe, for example, already has in Brazil—he has been visiting quite a number of times since the Olympics—in how to organise a major world-scale event. So soft power certainly helps

Maria Miller MP: May I say, Lord Howell, that I, too, if I were lying awake at night, would be worrying about whether or not what we are doing is actually landing trade deals? Although there are many reasons why we support culture and heritage in our country, because it is who we are as a nation, it is also very important to me that we are supporting the work of the BIS department. For me, as a Minister responsible for tourism in the Government, I am also looking to make sure that we are landing hard results there. We are seeing even now, in these difficult economic times, tourism rising by 6% in numbers and 11% in value. You can see that there are fruits of our labours already.

The Chairman: Lord Foulkes, did you want to pursue the export side of things?

Lord Foulkes of Cumnock: No, I was going to ask about tourism.

The Chairman: That comes a little later, so I think we will leave that for the moment.

Q335 Lord Ramsbotham: I must admit that I am still slightly confused about this. When we had people from the Foreign Office here and we were talking about the UKTI, they said that each of their embassies overseas was home to every ministry from London that was coming through, and they were helping them to follow their own particular aspect in the country concerned. I have to say that we did not form a very favourable impression of UKTI's skills, abilities or numbers. Indeed, it appeared that there was a disconnect because it did not have the contacts in the countries concerned compared, for example, to Germany, which had a huge number of people who were able to help their businesses. Then we heard that the NSC was co-ordinating. Now, Secretary of State, you are the co-ordinator of the GREAT campaign and it seems that everything is emanating from there. Where does the Foreign Office and UKTI fit into all that, and what you are co-ordinating?

Maria Miller MP: I will answer first. My colleague may want to follow up. I think it is reasonably straightforward in its structure. Our embassies are obviously ultimately our sales team on the ground. They work with UKTI and have representatives from UKTI to convert those sales leads into practical deals and contracts. In terms of marketing support, that is where the GREAT campaign comes in, and you cannot have a marketing campaign that is not joined up with your sales campaign: UKTI and the FCO. It is very much as it would happen in a private sector organisation. We come together around a table as equals. I chair the meeting because it is convenient for me to do that, but people around the table each have an individual role, whether that is UKTI in developing the business leads, the FCO in the knowledge on the ground, or my department, DCMS, with its tourism or cultural responsibilities. You have a number of people here who have skin in the game. Of course it will be that way because we are undertaking a highly complex activity, but I have to say, having spent 20 years in marketing and advertising before becoming a Member of Parliament, that that very much echoes my experience in the private sector

Lord Ramsbotham: But who masterminds the policy that the United Kingdom is following with, say, Brazil, in enhancing marketing and other opportunities?

Maria Miller MP: The trade deals that are to be followed and pursued?

Lord Ramsbotham: No, our whole soft power approach to Brazil. Who will do what to enhance our national reputation in Brazil and so on?

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Maria Miller MP: The person most responsible is of course the ambassador on the ground, who is the person who masterminds what is happening in market, whether it is in Brazil or any other country. Then, of course, I will be looking very closely at the sort of activities we have going on in Brazil to understand where our cultural organisations are putting their weight. Obviously it is for cultural organisations to decide what activities they put on. One of my visions for my department is for us to be able, where possible, to augment that in future, but at this point it is very much driven by the cultural organisations that have for many years been undertaking activities in these markets. I give you an example. In Brazil, the Science Museum is working with the Brazilian Government post the Olympic Games in the establishment of a science museum in Brazil. That is driven by the Brazilian Government but is enormously helpful to the relations between our two countries.

I think that what has been an organic process to date will increasingly become something that we will want to try to augment, if it is strategically appropriate to do so.

The Chairman: Minister, do you want to comment on that?

Michael Fallon MP: Yes. Brazil is a very good example of a country where we have intensified our effort. You can say that we should have done that years ago, and so on, but we have certainly done it now. We have increased the number of UKTI people in post. There are ministerial visits extremely regularly. I was there in September as part of the UK-Brazil energy dialogue that we now conduct, seeing more opportunities for British companies that have developed techniques in the North Sea to assist in the development of the deeper waters off the Rio basin. There is another potential co-operation in nuclear—Brazil is building a nuclear station at the moment—and in shale, which it is also examining, and there are well established British companies in Brazil, notably BG Group. My experience is that the small and medium-sized British companies that have been out in Brazil recently have nothing but praise for UKTI and the efforts that have been made there.

If you are implying that we as a country were a bit slow off the mark in tackling some of those emerging markets 10 or 15 years ago, that is possibly true, but Brazil is certainly a key target market now.

Maria Miller MP: If I may slightly broaden the comment that I made earlier, think about the way we are now using years of culture to throw a spotlight on to markets. At the moment, we have the UK-Qatar year of culture. Next year, we will have the Russian year of culture. I signed a cultural agreement with the Chinese last week. That provides a little more of what I think you are looking for, which is a more structured approach to our cultural engagements. We see that as an increasingly important tool.

Q336 Baroness Hussein-Ece: Are you satisfied by the United Kingdom's ability to invest in and establish cultural programmes and institutions in the way in which China, which we were just talking about, and others such as France, Germany and Japan are doing? Is there a view that we do not need to do that because we already have very good links with many Commonwealth countries, for example, or is it because of a resource issue that we are not doing as much as other countries? Surely by putting so much emphasis on China we might now be accused of neglecting other markets—emerging powers in Africa, for example, which we have heard a lot about? I should be interested in your views on that.

Maria Miller MP: I think the important thing is to recognise how much activity is already going on in a unilateral way between our prestigious organisations in the UK and organisations abroad. The Committee should not be concerned that there is an over-dominance of any one particular country. I am very struck by how organisations such as the

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British Museum, the British Library and the Victoria and Albert Museum have developed their reputations, rightly so, in a great number of both emerging and established markets, whether that is Brazil, Russia, India and China or beyond. They have done incredible work developing those relations over many years.

Of course, we would all want that work to go even further. It is now a great source of revenue for organisations providing consultancy for the development of new cultural institutions in the Middle East, China, Russia or elsewhere. It would be good to see that influence developed further into new markets. Of course, we are focused at this time on how we can use soft power particularly for the development of trade links, so inevitably that will draw us to certain markets.

Q337 Baroness Hussein-Ece: I am sure you are asked a lot about visas, given that you have a dual role, wearing a tourism hat as well one for culture. We have heard a lot about this. It keeps coming up time and time again. I am sure that people have made representations to you. Do you have views on this? Are you making representations about the fact that visa restrictions are making it difficult for people who want to come over legitimately on, say, cultural exchange? It is sending out a negative message that we are not in fact open for business in the way that we could be. Are you making representations on that?

Maria Miller MP: I think we have already announced a great number of improvements in our visa regime to make sure that it is exactly as you would want it to be—to be welcoming—but equally to get the balance right, because people want to have secure borders as well. I spent an important period of last week in China working with the Chinese media to underline the already announced reforms of our visa regime to give same-day turnaround for visas and the fact that 97% of Chinese people applying for visas get them. There is a lot of misinformation around, anecdotal information, which one has always to counter. That was an important part of the work that I was doing there: making sure that our visa regime really supports both tourism and business and cultural travel.

The Chairman: Does the visa issue come across your desk as well, Minister of State?

Michael Fallon MP: Yes, it certainly does, and the Secretary of State is right: there may have been some misconceptions about just how difficult it is to get a visa. We have done a lot of work in BIS, particularly on the student side, to clarify that genuine students are extremely welcome in this country. They are not being capped; we have made that very clear to countries that particularly want to share in our higher education. On the business side, there are some caps on skilled migration, but again I think they are reasonably generous and we continue to encourage companies to send their best and brightest people here. I think we now have a regime that is reasonably stable, although I certainly accept that where there are misconceptions we must work harder to tackle them.

The Chairman: I am now in a dilemma, because we do not have much time and I want Baroness Nicholson to pursue particularly hot issues of ethics, human rights and so on. Do you want to ask that question now?

Baroness Nicholson of Winterbourne: Yes, very much so.

The Chairman: Lord Hodgson wants to get in—on this subject?

Lord Hodgson of Astley Abbotts: One quick question. We hear about discussion of BRICs but beyond that, it sounds quite serendipitous: the British Museum is doing this, the British Council is doing that. Would we do better if we provided more focus for what are inevitably limited resources to achieve better trade and economic benefit for this country? I understand that you pick up the BRIC countries because they are self-selecting, but beyond

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that, is there to somebody to sit down and say, “This is an interesting area. We ought to be getting involved”? If so, who does it and how is it done?

Michael Fallon MP: Perhaps I could start on that on the trade side. Yes, we do look at trade patterns, the potential of markets. The Trade Minister, Lord Green, did this when he took up his appointment. I think today is his last day in office. I am sure you will want to wish him well in his retirement. That is exactly what he did when he started in office three years ago. They reviewed all these markets. They looked at those where less attention was being given and that could do with some more resources, and others where the effort could be scaled back. You have to prioritise where you have your UKTI presence and where you are spending money on trade fairs, supporting exhibitions, and so on. That is done every so often at the top of the Government. I am sure that tomorrow's Trade Minister, Lord Livingston, will want to have another look to see whether the effort is being directed best.

Maria Miller MP: On my side of the discussions, I just underline that a great deal of this activity is happening anyway, often without public money involved, because it is funded by the receiving country. It is really important to understand that. I go back to my earlier comment about how we are increasingly using years of culture and cultural agreements to provide the sort of focus that I think you are asking for. By signing an agreement with a country, one can highlight to cultural institutions that it is a focus and somewhere where there will be reciprocity in cultural exchange.

Lord Hodgson of Astley Abbotts: But if I asked to you to list your top 10 priorities, would they be the same as BIS's?

Maria Miller MP: They would be very similar. This is what we do on the GREAT programme board. They will not be exactly the same, because tourism figures are still driven hugely by countries with which we still have strong trading links, such as the US, Germany and France. We get huge numbers of tourists from there, so for me it is important to keep those figures strong.

The Chairman: Watching the clock all the time, Baroness Nicholson, would you like to ask about human rights, corruption and other awkward issues?

Q338 Baroness Nicholson of Winterbourne: Thank you very much, chairman. Minister Fallon, a number of our competitors do not have to accommodate themselves to the rigours of our Bribery Act or to our human rights reputation and legislation here in Britain. Some of our other competitors should but maybe do not pay quite as much attention to either issue as we do. Yet when we sell to countries that may not have established democracy, the rule of law and the private sector to the extent that we and other western democracies do, there is naturally an outcry. How do you resolve that dichotomy? Is it possible for you to argue that the free market and the private sector bring rigorous rules of ethics and constitutional requirements? Do you see this as a growing problem or one where we can somehow square the circle?

Michael Fallon MP: I do not see it as a growing problem, and I do not, with respect, see it as quite the dichotomy that you see it as. To my mind, whether it is bribery or human rights abuse, these are both barriers to business, to growth and to our own security and prosperity. Doing business in the right way in these countries benefits them, and benefits us in the end, so I do not see these as choices that we have to make. We send out very clear messages about the standards that we expect of our companies in these third markets, and of course we have the new bribery legislation, which makes it very clear that bribery of the kind that may have occurred in the past will be punished. We have some very clear guidance

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on that. So I would hope that the shadier competitors who you are suggesting do not pay as much attention to these areas as we do would recognise that it is in the long-term interest of the world trading system and of the western developed countries themselves that we ensure that we have very strict guidance on human rights.

There are examples of sectors where there is very strong public concern. I deal with one of them: the licensing of arms exports. We probably have stricter guidelines than many of our competitors, even inside the European Union, on the rules and circumstances in which we will sell arms to other countries—and defence is a very important industry in this country. If occasionally we lose out as a result, so be it. I would rather be on the side of having the stricter rules than those that are laxer.

Baroness Nicholson of Winterbourne: But given the enormous growth of corruption and the black market and more around the globe today, are the Government doing enough to try to combat that in a way that would assist British business? It is galling when our competitors win hand over fist with ever growing bribery. What more can we do?

Michael Fallon MP: Well, we are signatories to the various conventions. The United Nations convention against bribery and the OECD bribery convention required us to criminalise the bribery of foreign public officials, and we do our best to make sure that other countries, having signed these conventions, live up to them. It is extremely important for a country that has a very strong tradition of the rule of law and respect for human rights that we are not just seen to be the good guys but that we are the good guys. That in itself will encourage better standards of behaviour internationally.

The Chairman: Baroness Goudie, did you want to come in on this?

Baroness Goudie: On human rights? Yes. Baroness Nicholson asked some of the questions. We do have a very strong reputation on human rights, and I feel that sometimes we trade those down, for example over the Dalai Lama in China, and in Russia where we have been dealing with them but are not being up front on where we stand as a country. When we are here we say one thing, but when we are in their countries we say another. I think the issue of China and the Dalai Lama was very clear. China has been difficult with companies from other countries wanting to trade with them, and if they are seen to be dealing with the Dalai Lama, or even some people from Burma, they are quite difficult with those companies. I can give evidence about that.

Michael Fallon MP: I think you have put that perfectly fairly. The Chinese have made their position very clear on discussions with the Dalai Lama, but those discussions did take place between our Prime Minister, and indeed previous Prime Ministers, and the Dalai Lama. When our Ministers are in Russia, they raise human rights issues alongside trading issues, and there are other fora in which we can encourage the raising of standards more generally. We saw that at the G8 summit in Northern Ireland, where quite important agreements were reached on the transparency of extractive industries and the need to make sure that multinationals paid their tax properly.

Baroness Goudie: It is just that sometimes these things get swept under the carpet. We see them in the press here, but what happens after the visits? I know about the Northern Ireland G8, because I was privileged to be involved in that, but it is on the recent visits, both to Russia and to China, where I do not feel we took them up strongly enough.

Maria Miller MP: Perhaps I could interject. Obviously one has to be very sensitive about how these things are handled in market and with the organisations one might be meeting. I can tell the Committee that I met human rights organisations and social enterprise

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organisations partly funded by the British Council while I was in Beijing and Shanghai. It might not be something that I particularly wanted to draw attention to last week, but I have certainly been speaking about it since. It is important that we do that, and Ministers do that on all their visits because it is not an either/or, as the Minister has already said. It is part of the price of doing business and part of the way we get a successful global approach to business that it is done in an ethical way that pays due respect to human rights.

Q339 Lord Janvrin: I want to come back to what is probably government co-ordination but by a rather indirect route. If you were looking ahead at the lessons to be drawn from the GREAT campaign or whatever it is, how would one want to do this soft power projection in five years' time? Would you say that things like visa policy, scholarship policy, our aid policy and perhaps local government and their effect on diasporas and the social media et cetera, which will be increasingly important in the future, should all be part of the way in which we look at the GREAT campaigns of the future? If we do that, do you really think that we have the mechanism in place in government to work that kind of approach?

Maria Miller MP: The answer is yes, it should be done in that way. I think we are at the vanguard of the way in which we are operating as a Government now, which is in a much more cohesive way, bringing different departments together through the GREAT campaign and being more co-ordinated than ever before. That is not us saying it in government; that is others saying domestically and in overseas markets that the GREAT campaign is giving us a way of being much more co-ordinated than ever before and probably more than any other country, the evidence being that the French Government are, I understand, quite keen for us to brief them on the way we are running our campaign at the moment—something I am not sure we will be doing very rapidly.

You are right that if you are truly going to look ahead and see ways in which you can make it easier for people to buy into Britain, to understand the value of Britain and to grow their trust in Britain, then of course what you are saying is absolutely right: it needs to be drawn together into a single-minded campaign. I would add one further element to your very sensible list, which included visas and education, and that is reciprocity. It cannot be a one-way street. Whenever you are building a brand like this, it has to be a two-way street. It is just as much about bringing cultural experiences and tourism from abroad into Britain to make sure that that trust in our country is deep.

The Chairman: Lord Hodgson and Lord Foulkes both want to catch my eye. Then I want to spend the last few minutes on tourism, which requires hours rather than minutes, but that is all we have.

Lord Janvrin: Can I just finish this question? I just wanted to press you on whether this should simply rest with the GREAT campaign or whether it should be taken to a higher level. Is it really part of the central co-ordination of our security policy and our wider foreign policy, or should it be left, without disrespect, at the marketing level?

Maria Miller MP: The involvement of the Foreign Office in the GREAT campaign is already there and is integral. I understand the point you are making, and I will not take offence from it. Of course as a country we should be very consistent in the way we present ourselves, and this campaign gives us the opportunity to do that. We are breaking new ground here, and I think we are doing it extremely well. I think that what you are outlining as your vision is certainly a very credible way forward in the future.

Lord Hodgson of Astley Abbotts: I just wanted to ask Michael Fallon a question, further to his brave speech about bribery and good conduct having its own reward. If we get too far

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ahead of the herd, we impose a disadvantage on ourselves in the sense that our bribery arrangements now, which unlike any others, including the Foreign Corrupt Practices Act, do not require any other country to take responsibility for its agents, whether or not employed. All I wanted to ask you was whether we cross-check where the rest of the herd are and make sure that we are not too far ahead and therefore imposing a disadvantage on ourselves.

Michael Fallon MP: I have not cross-checked in exactly that kind of way, but I have looked in some detail at whether or not the Bribery Act is now creating more of a burden on our business than it anticipated. The answer is that there have been relatively few cases under the Bribery Act so far. There was an issue about the guidance when it first came in. Possibly a number—how can I put this—of law firms and consultancies saw the opportunity to hold conferences and to slightly panic people into thinking that they had to do a lot more than they were actually already doing. We have commissioned, jointly with the Ministry of Justice, a survey of small businesses to see whether the Bribery Act is inhibiting small businesses from developing their export ambitions, because that would clearly be serious. You make a very fair point about cross-checking with some of our major competitors, and I am happy to look into that.

Q340 Lord Foulkes of Cumnock: I just wanted to follow up Lord Janvrin's excellent question and ask the flipside of it. How do you involve the devolved Administrations in the GREAT campaign, and generally, in everything? You are Welsh, I think, although you do not sound it.

Maria Miller MP: I was brought up in south Wales, absolutely, so I have a great affinity particularly to the Celtic fringe.

Lord Foulkes of Cumnock: How do you involve the devolved Administrations?

Maria Miller MP: Through the VisitBritain campaign and through VisitBritain. VisitBritain obviously covers selling Britain abroad.

Lord Foulkes of Cumnock: I do not just mean tourism; I mean right across the board.

Maria Miller MP: Whether it is through tourism or any other aspect of our activities abroad, we involve the devolved Administrations in the usual way. Obviously culturally I want our Welsh cultural organisations or Scottish or Northern Ireland cultural organisations to be as involved as any other in painting a picture of what Britain is doing abroad. We do that as a department in the usual course of doing business. That obviously then feeds through into our work in the GREAT campaign.

Lord Foulkes of Cumnock: Do you think it confused the message for Alex Salmond to take a separate trade mission to China?

Maria Miller MP: Obviously it is for the Scottish Government to decide whether that is what they want to do. Perhaps that question is more for my colleague than for me to answer in relation to trade delegations, but certainly Scottish cultural institutions—

Lord Foulkes of Cumnock: I am not worried about culture; that is all right.

Maria Miller MP: —do their own thing when it comes to going abroad, as well as working with English institutions as well.

Lord Foulkes of Cumnock: I have my Better Together pen here. We have been in this Committee for an hour and it is only now that we have mentioned Wales and Scotland. That is really quite astonishing when both of you represent the Government of the whole of the

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United Kingdom, yet the Scottish Government are doing their own thing again and again on so many things that are United Kingdom competency.

Maria Miller MP: Having very recently spent a very enjoyable day in Wales talking to them about Swansea's recent bid for the UK City of Culture 2017, I would say that I take very seriously the support and the work that we do with both Cardiff and Edinburgh.

Lord Foulkes of Cumnock: There is no referendum coming up in Cardiff.

The Chairman: I can see the discussion opening out in quite interesting directions but not the ones for which we have very little time. We must just pursue this huge industry of tourism, which falls with the Secretary of State, and let us hear some questions on that.

Q341 Baroness Armstrong of Hill Top: Despite what you said before, we have had evidence that people's perceptions and reception of the visa policy has been that we have been very confused in this country. They have had one message from one part of government and another message from another part of government, and that has been damaging. Many of us individually, rather than in the Committee, have heard that from education people, business people and certainly from countries. Was that simply a failure of policy co-ordination, was it that people have not understood the policy, or is that your department might have done more to mitigate confusion within government?

Michael Fallon MP: There is no confusion within government. Obviously government departments will come at this issue from different perspectives. Some government departments, such as the Home Office, are charged with the security of the United Kingdom and are part, as we all are, of our overall commitment to making sure that immigration is managed properly. There are obviously tensions there between that policy and the policy of open tourism and open student entry.

Baroness Armstrong of Hill Top: Can I give an example, then? There is the whole issue of tourism and people moving both ways. You have said that that is very important, Secretary of State. Charges at airports were raised by the tourist group that came before us as a very serious problem for soft power. George and I have also had raised by developing countries their anger that visas are dealt with in countries in such a way that people have to travel and spend a lot of money to get a visa. All this makes them feel, "Britain does not want to know us any more".

Maria Miller MP: Inevitably, we will have to continue to look at issues of passenger duty and visa availability to make sure that we get that right, but I think the figures speak for themselves. We see that even in difficult economic times, not just for Britain but for many other countries from which tourists come to this country, we have seen a 6% growth in numbers, particularly in the post-Olympic period. It is always said that when you host an Olympic Games, tourist figures can go down around it. In Britain, that did not happen.

Baroness Armstrong of Hill Top: Despite Boris.

Maria Miller MP: I hear what the noble Lady says, but the figures suggest that we have more people coming in and that they are spending even more money—I 1% growth in value.

Let me be very clear: we and the Home Office continually keep the visa regimes under careful scrutiny to ensure that they are working in the way they should. I was particularly pleased to see the announcements made by the Chancellor during his recent visit to China on piloting a common gateway for our visa with the Schengen visas so that we can simplify the process for people who are visiting our country. It is really important to be welcoming, as the noble Lady says.

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Q342 The Chairman: We are in extra time, and we will get one final question from the chairman. It is this: do either of you find that our membership of the Commonwealth is important in shaping our export effort, our reputation around the world and our attraction as an investment centre? Who would like to start?

Michael Fallon MP: Perhaps I should start. Yes, the Commonwealth is important. It is a sizeable trading bloc on its own, with 15% of world value. It is not as big an export market for us as the European Union, and of course we do not have total competence over trade. We cannot negotiate directly with the Commonwealth, because that competence now belongs to the European Union. Indeed, three members of the Commonwealth are members of the European Union as well. The Commonwealth also contains some very fast-growing economies that are certainly important to us in our focus on trade. It is an area to which in recent years, under recent Ministers, we have started to give more attention, and I think that should continue.

The Chairman: Before the Secretary of State adds to that, is it not a fact that the great growth area for British earnings overseas has been in services? The EU is pretty patchy when it comes to a single market in services. In fact there is not much of a single market at all. As we have heard from the Secretary of State, we have had fantastic growth in our creative arts earnings overseas. These are surely things where we can look beyond the European Union and deal directly with the great new markets of Asia, including the Commonwealth. Is that not the new picture?

Michael Fallon MP: Yes, but I do not think it is a choice, with respect, Lord Howell. Of course we are trying to complete those bits of the internal market in services that are yet to be complete, notably in energy, and looking to ensure that we have a proper internal market in digital services, which is very important for our businesses. But that does not stop us focusing on services to some of the countries that you have mentioned. A lot of those are not simply straightforward services, if I can call tourism that, but business services. They are selling our expertise. They are selling professional services, business to business services, in which I think we have a very strong hand to play.

Maria Miller MP: I would say that soft power is all about building our understanding, influence and reputation within countries. With Commonwealth countries, we have the unique starting point of a very close relationship from the outset. When it comes to the soft power agenda, the Commonwealth nations offer a unique opportunity for us, whether in tourism—I look at countries such as Canada and Australia, which are still very large tourism markets for us—or through unique events such as the Commonwealth Games in Scotland next year, which will give us an opportunity to see the Commonwealth at its best, bringing many nations together in Scotland at a very important time in its history and showing that it is a pivotal part of this unique union. I very much hope that it remains that way.

The Chairman: That final answer pleases the chairman, so that is always a useful note on which to end. Inevitably, there are things that we have not covered in the time available, but you have given us a very clear picture of your awareness in both your departments, or the two or three departments that you cover, of the importance of the deployment of our soft power assets. That is very helpful, so I thank you on behalf of the committee for giving us your time. We are very grateful to you.

**Government (Michael Fallon MP, Department for Business,
Innovation and Skills) – Supplementary written evidence**

During the evidence session which I attended with the Rt. Hon Maria Miller on 9 December I said I would respond with further information to a question asked by [Lord Hodgson of Astley Abbotts](#) . The relevant extract from the Committee's transcript is attached and I do apologise for the delay in replying.

The UK is not alone in making bribes paid to agents an offence. The US Foreign Corrupt Practices Act (FCPA) also captures payment to agents.

The United Kingdom is signatory to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Bribery Convention) and the UN Convention Against Corruption (UNCAC). The Conventions require, in only slightly different terms, the bribes given directly or through intermediaries should be an offence. The OECD Bribery Convention will soon have 41 signatories and UNCAC has 140.

Section 7 of the Bribery Act 2010 includes a failure to prevent offence. Companies can be prosecuted for failure to prevent "*a person associated*" and that could be an agent or other intermediary. There is defence if companies have in place adequate procedures to prevent bribery.

The OECD Bribery Convention has a mechanism for monitoring and follow-up which is conducted by the OECD Bribery Working Group (on which BIS lead). The Group carry out a *programme of systematic follow-up to monitor and promote the full implementation of the Convention*. The reports and enforcement data are available on the OECD website.

15 January 2014

Government (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office and Dr Andrew Murrison, Ministry of Defence) – Oral evidence (Q368-383)

Evidence Session No. 23

Heard in Public

Questions 368 - 383

WEDNESDAY 18 DECEMBER 2013

Members present:
Lord Howell of Guildford (Chairman)
Lord Forsyth of Drumlean
Lord Foulkes of Cumnock
Baroness Goudie
Lord Hodgson of Astley Abbotts
Lord Janvrin
Baroness Morris of Bolton
Baroness Nicholson of Winterbourne

Examination of Witnesses

Rt Hon Hugo Swire MP, Minister of State, Foreign and Commonwealth Office, and **Dr Andrew Murrison MP**, Minister for International Security Strategy, Ministry of Defence

Q368 The Chairman: Ministers, good morning and thank you very much for being with us and for finding time out from your busy schedule. I should just say as a formality that you have in front of you a list of the declared interests of this Committee, which may or may not be helpful to you. I do not think there will be any Divisions, but if there were we would have to stop for five minutes.

It is really very fortunate for us and extremely useful that we have two senior Ministers from two huge central departments of state. We found in our evidence to this Committee—and this is the 23rd public hearing we have had—that the business of defence and the business of carrying out our international foreign policy are increasingly intertwined and wrapped up in the whole task of building our strategic narrative, using power and persuasion, and protecting our interests as our main policy thrusts. We feel that a new landscape has emerged in which these things have become even more closely woven together than ever before. It is excellent for us that we have the two of you from the two departments.

I will start with some questions mostly to the Foreign and Commonwealth Office Minister of State, Hugo Swire. Then I shall come to Dr Murrison. We will find that these things weave together as we go along. My first question is one to which both departments could contribute a view, please. We are looking out on to a world of a great shift of power with the emergence of vast new regional powers in Asia, Africa, the Middle East and Latin America. We are looking out on a world where there has been huge empowerment of the public, of lobbies, of non-state actors and of total connectivity through mobile telephones. In fact, there is a completely new international landscape.

Question 1 is a strategic question: how generally have the two departments adjusted to this huge change, which every witness who has come before us has confirmed is very big? In fact, we are more and more impressed with the size of the shift that has taken place. Perhaps I may start with Mr Swire and how you think, from the Foreign and Commonwealth Office's point of view, you see that change and what is happening in the Foreign Office to meet it.

Hugo Swire MP: Can I say at the outset, Chairman, that I very much welcome appearing before your Committee and the work that you are undertaking. It is timely and I look forward to your reports with considerable interest. We do not pretend to have a monopoly of wisdom on these matters. I think there has been significant shift, which I will attempt to articulate. I am sure that we have got things right in some places and can do better in others.

To respond to your question straightaway, there has been a huge shift in power and emphasis. The Foreign Office has responded to that with the rather unattractive phrase "network shift". What is network shift? It is the redeployment of resources within a very tight spending envelope to better reflect the priorities of these markets, the emerging powers the BRICS: Brazil, Russia, India, China and South Africa. There, we have created additional positions in 23 emerging markets. We have put over 183 staff in front-line jobs in the emerging powers, which will rise to 300 extra staff in more than 20 countries by 2015. We have been reopening embassies, which I do not think has necessarily come across. We have upgraded or opened 20 embassies.

My responsibilities are rather strange geographically. They range from the Falklands and Latin America, central America, across to India and all the way down Asia, south-east Asia and the Pacific. I inherited the Commonwealth brief in excellent shape, if I might say so, from my predecessor. I will come back to the Commonwealth in a minute. In the past year, I have opened an embassy in El Salvador, which we did not have. We have eight¹³¹ people: the Americans have 800¹³². I was able to say at the opening, in front of the American ambassador, that it clearly takes 800 Americans to do what eight British people can do. I have opened an embassy in Port au Prince in Haiti. We have opened a consulate in Recife, Brazil. A few months ago, I opened an embassy in Asunción, Paraguay. These are all rather positive moves.

Our engagement in that part of the world really flows from the Foreign Secretary's speech at Canning House when he said that our retreat from Latin America was over and that we were seeking to re-engage with the region. I think that has had real resonance. For those of you who follow these matters, I think you would agree that we are perceived to be back and in business in some of these highly important, existing and emerging markets, Brazil being the largest but other markets coming on tap hugely. Mexico is absolutely key, as well as Panama. There are all these other opportunities for British businesses.

How have we done this? We have reprioritised and reduced some of our secondary posts, particularly in Europe, where we already have representation through other means. We are reopening the FCO language school. It is almost staggering to believe that it was ever closed. We are reopening it so as to better train our diplomats in foreign languages. We are opening a diplomatic academy. We are also trying to make certain that a lot of our ambassadors going to post are seconded to private businesses so that they get some feel of private business. I was amused rather by our colleague Ken Clarke telling me when we were in Chile that he remembers 30 or 40 years ago going on a mission to, I think, South Korea. There were some businessmen there and the ambassador was throwing a reception. He

¹³¹ Note by witness: The correct number six.

¹³² Note by witness: The correct number is 600.

asked the ambassador whether he could bring some of these business men and women along to the reception and was told most certainly not. The diplomatic world, the Ferrero Rocher gilded world, was certainly not going to be contaminated by vulgar commerce. I suggest that anyone heading up any post making that distinction today would be looking for alternative employment, and rightly so.

I have talked about the network shift, but there has been a mental shift as well within the Foreign Office. We are asking these people to do jobs that very often they did not come into the Foreign Office to do—I think on the whole that most of them get it—underpinned by the GREAT campaign, which we will no doubt talk about more in the future.

Africa is another market where we are doing much more joined up with DfID and there are others. That is not to say that we are ignoring our traditional friends. For instance, the Commonwealth is hugely important. The Foreign Secretary has said that he wants to put the C back into the FCO. I hope that we will get an opportunity to put some flesh on the Commonwealth issues of the day. We very much welcome the fact that your colleague Lord Marland is taking on the chairmanship of the Commonwealth Business Council. I was in Glasgow on Monday looking around the sites for the forthcoming games next year, which are very exciting. The timing is interesting, coming as it does. We are going to have a big British business presence there as well as a Scottish presence. It is not trying to replicate the British business embassy that we had during the Olympic Games because we do not need to have an embassy in our own country, so it will not be called an embassy, it will be called a business centre. It will be an opportunity to get more trade discussions going on, because we know that it is better for Commonwealth countries to trade with each others. There are huge savings in rationality, et cetera. That is important, as is working with the regions. Co-ordinating that better is important. On the whole, you are witnessing the early days of an enormously significant shift.

If I can end by quoting Ken Clarke again in an NSC meeting we had yesterday in Downing Street on the emerging powers, he said that no Government have ever attempted to approach all this in as co-ordinated a way as we are currently doing. That is why we clearly have not got everything right. It is very early days.

Q369 The Chairman: Thank you. There are a lot of points that we will want to come back on there. That was a very good initial overview. Can I ask Dr Murrison how the Ministry of Defence's new strategic narrative, if those are the words for it, or the network shift, is working out? We have had a lot of evidence to this Committee, written and verbal, that, to put it bluntly, war is not what it was. The conduct of our security and defence operations needs to be interwoven with our foreign and international policy, and civilian activity, as never before. How is that coming through in the Ministry of Defence?

Dr Andrew Murrison MP: Thank you, my Lord, and good morning everyone. Can I start by agreeing wholeheartedly with Hugo Swire? From my own observation over the past 12 months travelling around the world quite a lot—not quite as much as Hugo but nevertheless quite a lot—I saw a sea change in Britain's diplomatic effort, which is now geared very much around commerce and the prosperity agenda and with a mind to collocation wherever it is expedient to do that. That is a really positive development. I certainly do not recognise the Ferrero Rocher characterisation that I thought I was going to be expecting when I took up this role. We need to understand that our missions abroad are very much business focused, which is a very good thing indeed.

In terms of the contribution that defence makes, you are absolutely right that we must be wary of trying to fight the last war. I think that JFC Fuller at the beginning of the last century

predicted the change of warfare as he then knew it. He was right, only he was several decades premature. We need to be ever so slightly wary about suggesting that we will not be required to do what you and I might recognise as war fighting in the foreseeable future. That would be a very risky proposition to sign up to, but I think we have to make plans for a pacific future in which our military is engaged in upstream conflict prevention and with partner nations. Indeed, we do that already. We are in the van of that among nations. I am thinking particularly of the international defence engagement strategy that you will know was launched in February 2013. I am thinking of Future Force 2020, the reconfiguration of the British Army, which is very much about adaptable forces focused on regions of the world where we think we need to exert influence and where we need to skill our people in order to engage in those parts of the world.

I think we are very mindful of a future in which we are not actively engaged in what you and I would see as conflict but rather in prevention. Everything that the MoD has been engaged in over the past several months has been geared towards trying to configure ourselves for that scenario.

The Chairman: Thank you very much. A new mindset, a sea change—those are big and exciting words. We have a lot of questions, and Lord Foulkes is ready to put the first one.

Q370 Lord Foulkes of Cumnock: Can I say first that I have been forced into a position of having to praise the present Government for reopening embassies in places such as El Salvador and Haiti in particular. I am very pleased at that. We have had a lot of representations, however, about problems with visas, particularly examples of people from Lesotho having to go to Pretoria to get them and people from Tanzania having to go to Nairobi. This is causing some problems. What can be done to make it easier for people to get here—not just students but a whole range of people?

Hugo Swire MP: I think you make an extremely good point. I do not think there has been a failure of communication, but possibly we have allowed commentators to paint the visa regime as more of a problem than it actually is. You only have to look at the newspapers this morning to see the very large level of immigration that there has been in this country over the past decade. I think it was incumbent on this Government to get a grip of our border controls and to work out who is here and who is coming here. I think that on the whole it is working. The majority of people getting visas in China, for instance, get them very quickly.

I think we did send mixed signals, particularly over student visas, when we were trying to tighten up on some of the courses here, which were frankly incredible. We wanted to stress that anyone coming to a credible course could still come. But I think that there was a bit of push-me pull-you going on.

Lord Foulkes of Cumnock: We keep getting China quoted to us, but I am more concerned about Africa and Latin America, one of your areas. I am not talking about people coming to live here. I am talking about people visiting here—businessmen and tourists coming here—and not being able to get visas in their own country.

Hugo Swire MP: I agree. That is something that we are looking at. I will give you an example from that part of the world. I was in Santo Domingo in the Dominican Republic and one of the Ministers wanted to come here to see me. He was going to have to send his passport to Miami. He wanted to go elsewhere and was unable to travel during that period. That is plainly ridiculous. We are trying to look at ways of doing more with the mobile biometric visa collection service. I was talking yesterday to the new Foreign Minister of the Maldives. This is another issue for them. We have taken a machine—it is probably no bigger than a briefcase—and they can gather the information there.

The overarching thing has to be security and to work out who is coming here, but we need to work harder with our Home Office colleagues to ensure that it is easier to get people coming here, particularly Ministers, high-level businessmen and so forth, as well as tourists.

The Chairman: Can we just widen this a bit? On Monday, we had a video-conference with the US Under-Secretary of State, in which she said that the United States employs 3,540 public diplomacy and public affairs officers and that all US embassies have expertise in public diplomacy and dealing with all these problems, including visas, as well as dealing with the general public. She went on to say that they have been trained in the US Government's Foreign Service Institute in public diplomacy, social media and online business contact. Do we have the same kind of dedication? Do we have the same kind of staffing? Is that our story as well?

Hugo Swire MP: We certainly do not have the same levels of staffing as the Americans. Nor would you expect us to. We have tried to rationalise the visa system with a hub and spoke system. For instance, a lot of visas now can be done in Manila.

The Chairman: I was going wider than visas.

Hugo Swire MP: It seems to me that actually training people and diplomats should be about the public interfacing with the public. That is what diplomats do. That should be their default position. I take on board what you say, and maybe when we set up this diplomatic academy that should be one of the courses that people should subscribe to.

Q371 Baroness Morris of Bolton: I thank you both for very good opening statements and both departments for their activity. I do an awful lot in the Middle East and I know that everyone is very pleased with our interaction there. I missed the last three or four meetings of this Committee because I have been employing, I hope, soft power either here or in the Middle East. To pick up on Hugo's point of business people at embassies, the only people I met at the embassy in Kuwait were business men and women. I think things have very much changed.

I am slightly concerned about the follow through. We are very good at big gestures, such as our GREAT campaigns and opening new embassies, but given that we have depleted resources and constrained budgets, which is why we now have to "network shift", I slightly worry that we might raise expectations in some of our more traditional markets. Do we follow through when there are really good companies that want perhaps to trade? Do we have the resources to ensure that that happens?

Hugo Swire MP: Thank you for that. I have been reading the reports of this Committee and saw that John Major thought that the Foreign Office should have a far larger budget. Who am I to gainsay John Major? But I think the chances of us getting that in the immediate future are somewhat limited, so we must make do with what we have and deploy our resources as best we can.

In a sense the follow through blurs over into the Venn diagram that is the FCO and UKTI. Of course, we have a new head of UKTI—we may say something about that in a minute—with Lord Livingston. I think that Stephen Green did a remarkable job and we should pay tribute to the work that he did. One of the things that Stephen has started, which we are rolling out even more now, is the transference of much of what UKTI has historically done to chambers of commerce in effect. Frankly, the great thing that has dogged this country in exports is that we do not have compulsory subscription to local chambers of commerce as they do in Germany, which in turn funds huge offices abroad. We are seeking to replicate that in our own way so that our chambers of commerce overseas will do a lot of the work,

the gestation work, that UKTI has historically done. That would leave UKTI to do the more strategic work on tariff reform, the big issues, the work that you need for FTAs and things like that. The follow through will therefore work better.

I just got back from the biggest ever trip taken by any Prime Minister anywhere, certainly from the UK, to China. We went to three cities in about three days. About 140 companies came with us. Talking to them was very interesting. Reading the press about that visit when I got back, it did not seem to bear any resemblance to what had been done. Interestingly, just as an aside, not only did a lot of companies forge incredibly useful contacts with businesses that will need to be followed through, there was a sort of in-house business exchange going on on the plane going there and on the plane coming back between companies that did not know each other. It all helps. We have to do more. We have to reach the significant targets that we have set ourselves. We are falling some way short. Of course, we are dependent on the global market economy. For instance, if we are doing badly in Europe, why? Is it because there has been a recession in Europe?

To answer the question, yes, it is very good taking a trade mission and introducing them, but how do you follow that through? At the end of the day it is up to the company, but that company needs assistance from UKTI or, in turn, these new chambers. I think that that will get better.

Lord Hodgson of Astley Abbotts: Slightly following on from Baroness Morris's question, when we open an embassy—I share the enthusiasm for us putting our footprint on the ground—do we set a minimum level of people and effort that we will commit to that embassy? I ask that because I have an interest in Madagascar, so I was very interested to see that we opened an embassy there, but I then discovered that it was an office in the Germany embassy with a single person. That seems to me to be almost worse than doing nothing because it looks as though we are a subset of Germany. What sort of analysis do we do before we open them? Do we say that we have to have so many people on the ground to make it worth while?

Hugo Swire MP: I am loath to disagree with Lord Hodgson but I could not disagree more on that. It is much better that we have a representation than no representation. Let me give you an example. Port au Prince is not a colonnaded, white regency building with a staff of 60; it is one person who is a chargé who used to work in Santo Domingo embedded in the Canadian embassy. In answer to your question, the question has to be: is it better to run Haiti and Port au Prince, particularly given the huge divisions which have emerged on the immigration issue between the Dominican Republic and Haiti, with our own man in Port au Prince, or is it still better to run it from Santo Domingo? I would argue that it is better to have our own man, small that it may be. Actually, it is the thrust of the Foreign Office, because we cannot be everywhere with the resources we have. We are seeking to do much more of this around the world with our traditional allies, the Canadians and the Australians. Where they do not have representation, we are inviting them to come on to our campus and we will go places where we cannot have representation on to theirs. It seems to me that that is a good use of taxpayers' money to raise British visibility at very little additional cost.

Q372 Lord Forsyth of Drumlean: We have had some evidence that the GREAT campaign has taken resources at the expense of the FCO's public diplomacy efforts. Is that really sensible given your opening statement and the general agreement that there is about the importance of this? Secondly, going back to Lord Foulkes's question on visas, on which we have had considerable representations, you say that you are addressing the problem and that you hope that technology might provide a solution. Is there a timetable and is there a set of areas of concern which it is proposed will be addressed by a particular time, or is just

something that is under review and which will just continue to be important but at the expense of the urgent?

Hugo Swire MP: To take your second question first, it is constantly under review. It is an ongoing discussion.

Lord Forsyth of Drumlean: When I was a Minister, when we said that it is constantly under review, that meant that we were not going to do anything about it. It may have changed.

Hugo Swire MP: Many things have changed, and not all for the best either. When I say that it is constantly under review, I am not giving a Sir Humphrey answer—at least I hope I am not. I genuinely mean that this is an ongoing dialogue between ourselves and the Home Office. It is something in which the Prime Minister takes a very keen interest. Do not forget that all our efforts to co-ordinate these matters—I go back to what Ken Clarke said—this is the first time that any Government have attempted to co-ordinate these measures. These are chaired at National Security Council meetings by the Prime Minister. The issue of immigration was raised again with him here and the Home Secretary sitting opposite him. We are trying to fine-tune our offer. It is rather like constituents, of which you had many Michael, so you will remember that they are only too quick to tell you what you have not done. They never write to say what you have done. At least mine do not but perhaps yours did. The answer is that it is a better situation than probably is known. We need to publicise the achievements that we have made but we always need to make improvements and it is not something we are being shy about doing. We really need to get this right.

In one of your earlier Committee reports, I read about the GREAT campaign having sucked funding. It does not quite work like that. We had to have cuts in the Foreign Office. The money we had to reduce did not go into the GREAT campaign. The GREAT campaign has been hugely successful, and I can say that from practical experience. It is quite interesting and encouraging when you go to anywhere in the world where we are promoting the UK with similar posters and a similar campaign. I was at Bloomingdales in New York and it was blasted all over with the GREAT campaign. I most recently launched a pharmaceutical company in Mexico City surrounded by the GREAT campaign. I have done Hamleys in Kuala Lumpur with the GREAT campaign. Wherever you go, you have this extraordinary theme. We are now being asked by other countries, not least Japan and others, to tell them how we have done it, and I have instructed officials to give erroneous information. We certainly do not want them to emulate. It has been a huge success, which is precisely why we are going to continue with the GREAT campaign to 2016. The annual funding between 2014 and 2016 will be increased by 50%, which is up from £30 million to £45 million. That is in recognition of jobs and growth. I will not break down how we quantify this and how we study it but it is deemed to be a hugely successful campaign.

I asked my officials to print out when some next big things are. Unfortunately, I think your report is coming out in early March. But if you were minded to delay it—let me make clear that I am not volunteering funding from the Foreign Office for this—your Committee could do a lot worse than see a major trade expedition branded under the GREAT campaign in action. There is one between 10 and 13 March for the luxury retail food and drink market, which, looking at the *Register of Members' Interests*, might appeal to some of you who have an interest in those markets anyway. It is in Hong Kong and Macao, and I think it would be incredibly useful for your Committee members to see for themselves how we do this. I hope that you would be extremely impressed by what we do and why we have given it additional resources.

On the back of that, we have also created these business ambassadors and ministerial trade envoys, some of whom are in this room, and more are to be announced shortly. Also, for instance, in my part of the world, Lord Puttnam does Cambodia, Laos and Vietnam. He has been there. Baroness Bonham-Carter has been doing some very good work in Mexico. There is a real combined Team UK effort going on, and it probably is more co-ordinated by three things. It is co-ordinated ultimately by the Prime Minister chairing the NSC meetings. Our one yesterday was on emerging powers. The heads of post locally, the ambassadors, have responsibility for that. The GREAT campaign on whose board I sit is chaired, as you know, by the Culture, Media and Sport Secretary. It is pretty co-ordinated, and that is before we talk about what we are doing for companies that are in the UK and about inward investment.

The Chairman: We want to come on to this co-ordination question. Lord Janvrin wants to talk about the GREAT campaign, and perhaps Baroness Nicholson wants to talk about the same thing.

Baroness Nicholson of Winterbourne: I will come after.

Lord Janvrin: I might get on to co-ordination through the GREAT campaign.

The Chairman: Well, both you and Baroness Nicholson want to talk about co-ordination. In fact, we all do.

Q373 Lord Janvrin: You have rightly, in my view, expressed satisfaction with what the GREAT campaign has been doing and the co-ordination that that has brought within Whitehall. My question really looks further ahead at whether you think the Whitehall machine is looking wider and beyond the usual suspects of UKTI, the MoD, the Foreign Office or DCMS to, for example, local government dealing with diasporas or education obviously dealing with students and issues around that. Do you think that on the back of the GREAT campaign you can see a wider need to co-ordinate our soft power assets better?

Hugo Swire MP: We can always do better, but I do not think that we are doing too badly. Let me give one example where I have been unhappy, and we are doing something about it, which kind of answers your question on soft power and education. We have the Marshall scholarship programme, the Commonwealth scholarship programme and the Chevening scholarship programme. The Chevening alumni make up about 40,000 to 50,000 people around the world. The Chevening scholarship is a one-year postgraduate programme, and is incredibly important. Some posts have historically been better than other posts at maintaining a database of who these people are. That seems to me to be criminal neglect. To misquote the Jesuits, “Give me a boy at seven and I will give you the man”. If you have someone in the UK for a year, on the whole they feel benign towards the UK for the rest of their lives. They rise up in whatever sector of society—civil society, politics, sport or business—and you have them, so you need to keep them. We are in competition with America and other countries that throw more resources at this than we do. I have asked the Foreign Office to do a piece of work on a co-ordinated secretariat for Chevening. I want to have a Chevening tie, and a Chevening scarf for the ladies, to brand it more, and to keep in touch with these people around the world. I want the Foreign Secretary to do a video, or whatever the modern equivalent is—not a selfie—to tell them what Britain is doing and to bind them in. That seems to me to be a co-ordinated approach—soft power at its best. Also, there has been a steady decrease in the number of Chevening scholars, and it is looking worse. I want that trend reversed and to increase the numbers to pre-2010 levels. Government cannot do that alone; that has to be done through the public-private partnership, as it were. Every company I speak to, in all the markets, agrees to do something

with Chevening scholars. It is not the same as writing a cheque, I grant you. Some companies, such as HSBC, do a great job, while others are rather slow to come forward and many simply have not been asked. I think that we can dramatically increase the Chevening scholarship programme by getting in more private funding. We can better co-ordinate it and keep in touch. That is one small example of where we can polish what we have been doing historically. If you transpose that to other areas of what we are doing, that seems to be the way in which we should be thinking.

The Chairman: Baroness Nicholson, you would very much like to bring in the military side because the co-ordination there is crucial.

Q374 Baroness Nicholson of Winterbourne: Just to take you back a moment, Minister, you raised the question of stronger links with our older allies. In fact, you were referring to two of the most prominent and powerful members of the Commonwealth. Is now the moment, therefore, for the FCO—to take the “C” in its title—to turn up the volume and talk up the Commonwealth? There are magnificent opportunities, as you rightly identified already, with those two, but there are others. What about India? What about some of the other major elements of the Commonwealth. Is not now the moment for the Foreign and Commonwealth Office to push for the Commonwealth to be much more widely recognised, supported and understood and therefore co-ordinated with the Foreign Office? We get few mentions of the Commonwealth in anything public that the FCO says.

You also commented on one of our newer, slightly more recent very strong allies in Germany, perhaps our best ever ally in the European Union. Another one might be Denmark. Germany is so large and wonderful, yet we do not have the same chamber system as Germany; we have a very different one that is much more voluntary and very sporadic. While trade missions are wonderful theatre and provide a fantastic splash for the United Kingdom—I have watched them, they are magnificent—it is the follow up, as Baroness Morris has said, that is so important. While chambers of commerce are very useful, we just do not have the German system on which we can rely because we do not have the same society. What else are you thinking of that a prosperity campaign might in fact promote?

Hugo Swire MP: On the issue of the Commonwealth, it is worth pointing out that two of the BRICS are Commonwealth countries—India and South Africa. We do an enormous amount with India, where we have created 38 new posts. If you put India and South Africa to one side, as I said in my opening remarks, there are studies that show that intra-Commonwealth trade is both easier and more cost-effective for companies. The Commonwealth is something that we take enormously seriously on a whole range of issues. I very much welcome the energy that Lord Marland will bring to the business side of the Commonwealth. His first opportunity to do something big will be in Glasgow in July.

We need to constantly remind ourselves that of course we have a special responsibility in a sense for the Commonwealth but at the end of the day we are an equal member of what is a voluntary organisation. I am absolutely convinced that we have to tread a very careful line by not stepping over the mark and being seen to instruct or dominate the Commonwealth.

Baroness Nicholson of Winterbourne: Just as a supplementary, I did not mean that. How can we use the Commonwealth for trade and aid?

Hugo Swire MP: There is a national fault-line in the Commonwealth, it is worth pointing out, which has been recognised by Lord Howell, between what I call the traditional old partners—New Zealand, Australia, Canada and us; we saw the most recent evidence of that at CHOGM last month—and the newer Commonwealth countries that want a slightly different vision of the Commonwealth. They are much keener to talk about development

and so forth, rather than trade. We need to refocus it. We need strong leadership in the secretariat, and I think Britain has a role to play.

I am constantly interested in articles in the papers suggesting that the Commonwealth can replace the EU as a trading bloc. That is patent nonsense; the strength of the Commonwealth is in addition to the EU. We live in a world of multiform membership. We have ASEAN and the Pacific Alliance. Every country is a member of many different organisations and the Commonwealth has to earn its place among them. It has no absolute right. That is something I am taking extraordinarily seriously and am bringing various people together in the not too distant future to have a deep dive on the Commonwealth on how we can get it back on course. That is a very interesting point—I will put it no stronger than that.

The Chairman: I want to bring in Dr Murrison, who has been sitting here very patiently. We have had a lot of evidence on the soft power implications for the conduct and disposition of our very considerable military budget. Any questions on that from colleagues would be welcome as this is an area we want to develop.

Q375 Baroness Goudie: I would like to talk about co-ordination between the Foreign Office, the military and DfID. These are three very important parts of Britain's soft power, working in parts of the world where, without our soft power, people would not survive. I worry about the co-ordination in particular with the Ministry of Defence, where there is the Foreign Office and DfID and sometimes the EU Commission, which has huge budgets, working with NGOs and others. There does not always seem to be joined-up writing with the Ministry of Defence. It is really important, because the work being done prior to the terrible atrocities over the past 10 or 15 years was very much soft power. How are you co-ordinating all three and some of the huge budget from the European Commission that is being spent alongside DfID and the FCO? If may not be possible to say just now, but what about long-term planning, because it is huge money and it can make huge change? I am very much in favour of what is happening, but I want to see that it is all joined up much better and that the NGOs are not duplicating some of the work that they are doing.

Dr Andrew Murrison MP: Shall I kick off? I am delighted to have the opportunity to talk on that very important point. The starter for 10 probably is the *International Defence Engagement Strategy*, which was published in February of this year. It was a joint FCO-Ministry of Defence effort and is owned jointly by those two departments of state. I would resist the characterisation that you have proposed. From my own observation, the FCO and the MoD work very closely together, both informally at ministerial level and at official level. I am thinking of things like the *Building Stability Overseas Strategy* as an example of where officials work at a high level to ensure that DfID, the FCO and the MoD are hand in glove. I simply do not recognise the separateness that you are suggesting.

Baroness Goudie: I have seen some things on the ground so this is not hearsay.

Dr Andrew Murrison MP: I do not doubt that. All I can do is to report my experience.

Baroness Goudie: Of course. I am not arguing with you. I am just saying that I am not talking just from sitting here.

Dr Andrew Murrison MP: All I can do is agree that it is important that we do things in a joint way. That goes for government overall. I reach back to my earlier point about the collocation of government departments abroad, which I have seen happening and which, to my great surprise, was not already happening. That is quite an extraordinary thing that is now being remedied, which is clearly right.

I should like to touch upon the point made by Baroness Morris about the follow through of the GREAT campaign. Businesses that I have talked to, which tend to be in the defence and the security arena, are very positive about the way in which the Government are promoting British interests abroad. The defence and security sector tends not to be particularly forward in praising anybody, frankly, but it has been forthright in its welcome for a changing attitude by Ministers on promoting British security and defence deliverables abroad. That has been quite gratifying and I believe it to be genuine. I will give the example of Libya, which I have visited three times in the past 12 months. It is clear that one of the attractions of the UK as a business partner in that country, which is clearly rebuilding itself after Gaddafi, is that we are in it for the long term. That is our pitch. It appears to be very welcome by the country as a reason for engaging with the UK and not with our competitors. Your point was very well made, and I am very pleased to note from my observation that that appears to be what is happening.

Hugo rightly rattled off a list of educational deliverables. Their importance cannot be understated, and I am pleased to pitch in with the defence contribution. You will be aware of the work of the Defence Academy, in particular its high-profile courses. A number of heads of state and heads of service have had experience of training in this country, and we have to understand that some of these countries have societies where the military plays a more prominent role than it does in this country. It is important that we make sure that that is not neglected in the future. I would also point out the large number of senior foreign personalities who have been through Dartmouth, Cranwell and Sandhurst. Sometimes I think that we fail to properly recognise the importance of what we do as a matter of routine. I am very pleased that defence is playing its part in making sure that those who can be expected to assume prominent roles in their societies in the future have a relatively benign view of the UK. Although Sandhurst, Cranwell and Dartmouth may at the time seem to be quite rough and ready, and you might expect the graduates of those academies to take a dim view of some of the robustness that has traditionally been associated with them, uniformly you can expect them, on talking to them some 20 or 30 years later, to recall their time in the UK with pride and satisfaction. We have to assume therefore that there is a significant benefit for the UK that is entirely uncoded, appears on nobody's balance sheet but is vital nevertheless.

Q376 The Chairman: That is very interesting. Moving on to the combat area of military operations, we have had evidence from both sides of the Atlantic that nowadays the purposes of conducting military operations have to be interwoven with civilian efforts more intimately than ever. You are dealing not just with other states but with all kinds of non-state actors. You are dealing with a totally connected set of fragmented enemies. The whole scene has changed. At what level are you able to discuss that with your Foreign Office colleague or with other members of the Government, and what conclusions are you drawing?

Dr Andrew Murrison MP: I agree entirely. The exposition is in the way in which the Army is reconfiguring itself as a result of Future Force 2020. That is very much cognisant of the importance of engaging upstream. It follows that there will be a further skillset that members of the Ministry of Defence—soldiers, sailors and airmen—are going to have to assume if they are to engage in the world we envisage going forward. I am thinking of things like language skills and cultural awareness. I think that we are very sensible to the likely developing defence and security scene in the future.

In terms of engaging with other government departments, all I can do is draw you back to my earlier remarks about the close working relationship we have with relevant departments, in particular the FCO and DfID.

Hugo Swire MP: May I come in, Chairman, on three things? First, to go back to Baroness Nicholson's point earlier, which ties in with business trips abroad, their validity and the follow through, she is absolutely right about Germany. I said at the beginning that we do not have the luxury of compulsory chambers of commerce membership, which is why we are seeking to replicate them in our own way abroad. I read an article in the *Spectator* a few months ago questioning the validity of these trips. It is not something I recognise. I have personally, standing in a room with a business and the President of a country, been able to unlock problems that have dogged that particular business for many years. Ministerial engagement on these trips is hugely valuable. We are going to do more of them and they are going to be bigger and glitzier. We reckon that that is the way in which we can penetrate these markets.

My colleague made a point about collocation earlier. It was something of a surprise to me. I do not think that it is too well known that what has happened right across the board is that you have this emergence of all kinds of departments having their unilateral representation in some of the capitals of the world. They very often employ local people on different terms, which exacerbates inherent tensions. You have people from DECC doing climate change. You have huge DfID organisations; and you have the military. You might say that I would say that anyway. My view is that the people who own the UK abroad are the FCO and everyone should come under our compound as closely on our terms as possible. That is not universally popular but we are beginning to do that and so better co-ordinate where possible.

If your Committee wanted to look at a country that is almost a template of how we are trying to work closely with DfID, the MoD and the FCO and align our shared interests, you could do worse than look at Burma. Burma has elections coming up in 2015. There are constitutional issues that currently prevent Daw Aung San Suu Kyi from standing. We are working in the international fora to try to get Burma to accelerate the speeding up of its constitution. The Speaker has been there. We have had its clerks over here learning how to draft legislation. This country is emerging from the dark shadows of an autocracy into what we hope will be a democracy. We have appointed a military attaché there at the request of Aung San Suu Kyi to liaise better with the military, which incidentally still has a guaranteed 25% of the parliamentary seats. They have that block which in itself is a problem. We are one of the biggest bilateral aid donors now in Rakhine, which I was the first western Minister to go to. I am going to Kachin quite soon. We have had more ministerial visits there. I have taken a trade mission there. All the different disparate arms of UK plc are trying to help Burma along the way. I think that that is a pretty good example of cross-ministerial and cross-departmental co-ordination.

Q377 The Chairman: This is a message that we have had from several other witnesses as well. Of course, it has an enormous implication flowing from it. Are we able to deliver the embassies on site in the various countries where the ambassador is required to be almost a polymath, co-ordinating the interfaces between cultural, creative, military and business activities locally on a more and more intense scale? Are our embassies all around the world, not just the hot areas such as Myanmar and Burma, being built up to cope with this new degree of a wider range of diplomacy and activity than ever before? Embassies cannot cope if they have to cut down their entertainment budget the whole time or weaken their travel and that side of things. They must be free to operate in a much bigger scene than hitherto. Is that recognised?

Hugo Swire MP: It is certainly recognised. Would it not be nice not to have to operate within the spending envelope that we do out of necessity? I raised this question with some

officials yesterday. I said that I was not aware of any post around the world being unable to do something. Eyes were slightly rolled heavenwards and it is obviously not a view that some officials share. Certainly, the embassies that I have come across—I do not say this glibly—are working extraordinarily hard. I preface my remarks at the outset by saying I think that we are asking our diplomats to do many things that they did not come into the Diplomatic Service to do. On the whole, they are doing it extremely well.

I should mention the support level put into the Prime Minister-led visit to China the week before last. What I had not realised, because no one said, is that the entire office was suffering from the Norovirus. That was not mentioned and they responded magnificently. Trying to co-ordinate 140 to 150 businessmen all over the place, the Prime Minister, the No. 10 press pack and all the other Ministers was a most remarkable achievement. They did it extraordinarily well. My sense is that when you press the button, they respond pretty well.

Of course, they will always want more resource. They have had pay constraints, which has an effect on morale. I think that some of the progress up the ladder at the Foreign Office needs to be looked at in terms of human resource and career management. All those issues are important. To answer your question, we are asking them to do a lot more than they have ever been asked to do. It is putting some under strain but on the whole they are responding magnificently.

The Chairman: How many one-man or one-woman embassies do we have—that is, one UK person?

Hugo Swire MP: Let me give you an example as I gave to Lord Hodgson. Port au Prince is one. In fact, it has been joined now by DfID in the same small office. But one is better than none.

Baroness Morris of Bolton: I completely agree with Hugo on trade missions. I think they are wonderful things and should continue.

Hugo Swire MP: Perhaps you should declare your interest.

Baroness Morris of Bolton: I declared my interest right at the beginning as a trade envoy. Having seen first hand, the great good that the trade missions do, they should continue. I want to pick up on something that you both mentioned about languages. Andrew mentioned it and Hugo said that the language school has been reopened. We have all heard stories of someone who speaks Arabic or whatever being deployed in other parts of the world and people being deployed to countries where the ambassador and the main staff do not speak the language. I know that that was a particular way of going about recruitment in the Foreign Office and that it was open to anyone to apply. I wonder whether there is going to be a shift in that. With reopening the language school and assuming that someone will go there to learn a particular language, will there then be every effort taken to deploy that person to where they have a particular skill?

Hugo Swire MP: I am not sure that I share your concern. Historically, you always had the Arabists, the others and those who went to Beirut and learnt Arabic and so forth. I think that has gone. I think people move around much more. People constantly go on language courses before they deploy so that they at least have a grasp of the language. We have many more people pre-deployment speaking Mandarin, for instance, than we have ever had. The diplomat rising up through the Foreign Office in a sort of silo—you are an Arabist, so you will always serve in Middle Eastern embassies—has gone. I am not an expert in this field, but recruitment right across the Civil Service seems to have changed. We have people coming

into the Foreign Office. I do not know whether that is a good or a bad thing. I am not sure that we have not along the way lost something. That is what concerns me.

Dr Andrew Murrison MP: Defence attachés are an important part of our effort abroad. I have to say that we recognise the situation that Baroness Morris is describing and have decided that as part of our reconfiguration we should enhance the foreign service element of our primarily officer's career streams. We do not have the resources to do it in the elaborate way that the Americans do, for example, but we can reconfigure the defence attaché post so that it is seen less and less as an end of career post before you retire and more something that is inculcated throughout an officer's working life. That might mean that he or she might expect to have a series of posts in various ranks proceeding to the most senior appointments for our most elaborate missions abroad. That really presupposes that we can inculcate language training and cultural awareness in people at a young age. That is woven into our thinking on the adaptable forces brigades that will be assigned to various parts of the world that are important to us.

People will have that exposure throughout their careers, which means, we hope, that their senior people will be more adept than they are at the moment at occupying senior roles and that we will not, in quite the same sort of way, have to put huge effort into these folks right at the tail-end of their career. For difficult languages and difficult parts of the world, we will potentially be investing 18 months of training to enable them to do a two and a half or three year appointment right at the end before they leave the service.

Q378 Baroness Nicholson of Winterbourne: I have a couple of questions for Dr Murrison please. First, I have been very pleased, as I am sure we have all been, to see that we have been paying much attention and putting more finance behind looking after wounded soldiers and wounded former soldiers. How can you ensure that that continues? Is this merely an on the margins effort because of all the celebrations that are coming up and so on with the First World War? Given that so many more of our soldiers now survive thanks to in-theatre immediate surgery and the magnificent survival rate that was not true before, how can you embed in the thinking of British culture and successive British Governments, not just this one, that we must look after our wounded soldiers and former soldiers? Can you say that? Is there a reputational issue as well as a pure clinical and psychological issue?

The second question is perhaps slightly different. NGOs these days talk a great deal about "humanitarian space", which means separation in the field from the military in any sense. From the way you are looking, I see that that has not quite crossed your desk. I wonder whether you have any comment on that.

Dr Andrew Murrison MP: I can certainly comment on it. Perhaps I can articulate some frustration that defence has with the issue that you describe in your last point. Of course, the Armed Forces do a lot of humanitarian work. Perhaps I can suggest that some of the things that we do add far more to the sum total of human happiness than the efforts of some other organisations that would say that they are entirely pacific and would rather not work with soldiers, sailors and airmen. I am thinking of disaster relief. I am thinking particularly of the Philippines recently where we performed magnificently. There is a sense of frustration for Ministers, bordering on annoyance, that this idea should have some sort of purchase.

Baroness Nicholson of Winterbourne: I agree.

Dr Andrew Murrison MP: Of course, the incentive is to comply with our 0.7% ODA target, complying with the OECD's ODA requirements. Much of what we do is not ODA-able, which is annoying, given my previous remarks. We cannot count much of this stuff towards the targets that we have been set. I see no prospect in the immediate future of persuading

the OECD to recognise the importance of the work that men and women in uniform do in the cause of humanitarian relief and development. That is a pity. I think that filters down to soldiers, sailors and airmen themselves, who are very pleased in this modern world to be doing that kind of work. They see that as part of the deal. Indeed, it is sold to them when they join up that they will be doing this sort of thing. Then they find that they are not perhaps being given the recognition on the ground from other agencies.

Q379 Baroness Nicholson of Winterbourne: Do you have any suggestion as to how this Committee might propose that that recognition could be obtained and flaunted?

Dr Andrew Murrison MP: I think you can comment in general terms about the frustration that we feel, and hopefully you will share, that this is an issue. The solution is in the hands of organisations such as the OECD with the various humanitarian organisations. I have to say that we are working hard to build bridges with those organisations, some of which are culturally not exactly on the same wavelength as defence. But when organisations of that sort see our people in action on the ground, talk to them and have dealings with them, they realise that these people are concerned about the welfare of humanity, want to do good work and, indeed, find that an important intrinsic part of their work as members of the Armed Forces. We can break down the cultural barriers that often exist between defence and the various NGOs. We are actively seeking to do that in the way that we approach humanitarian situations. It would be a very good thing if you are able to underscore that in your report.

Baroness Nicholson of Winterbourne: But one cannot expect the OECD to promote the cause of the good work of the British Army. Do you not have any suggestions for us that we could undertake from the United Kingdom?

Dr Andrew Murrison MP: No, I think it would be reasonable for the OECD to reflect on the important work that men and women in uniform do, not just in the UK but through the European Union, the UN and all manner of partner nations, and perhaps have a rethink as to how the cause of peace and prosperity can be advanced best. Very often that is by deploying, for example, a squadron of Royal Engineers to build a bridge or to engage in flood relief, as they have been doing recently. Those sorts of things are vital. They need people of that sort. At the moment, there appears to be a cultural resistance on the part of elements of the international community towards the recognition of the part that men and women in uniform play. I think that that is a great pity.

The Chairman: Briefly, can you say something on Baroness Nicholson's second question?

Dr Andrew Murrison MP: There were two bits to it: disabled soldiers and World War I. You are tempting me to stray off the subject of today's meeting. As you know, I can talk at great length about disabled soldiers, but I will confine my remarks to how this affects our international reputation. In this country, we have adopted a model of the military covenant that complies with what you might call the no-disadvantage precept that is shared by most countries internationally—not America, which goes for what you might call the “citizen-plus” model, meaning that as a member of the Armed Forces you can expect rather more than you can as an ordinary citizen. Our model is that if you are injured in the service of your country, you will suffer no disadvantage as far as we can possibly make it so.

Baroness Nicholson of Winterbourne: Why do we not have the American model?

Dr Andrew Murrison MP: That is probably for another day.

Baroness Nicholson of Winterbourne: No, there will not be another day. This is the evidence.

Dr Andrew Murrison MP: Chairman, if you would like me to talk at length on that I would be happy to, but I fear you may not have time to explore it entirely. I will exemplify the no-disadvantage thing by referring to two reports that I wrote before I became a Minister: *A Better Deal for Military Amputees* and *Fighting Fit*, which are about amputees and those who had suffered the mental consequences of conflict. I wrote those reports expecting them to go the way of most reports that are written for government—into the long grass. They have both been implemented by this Government, for all intents and purposes completely and fully. I think that gives you a sense of the importance that the Government attribute to making sure that, so far as we can, we comply with the no-disadvantage model that has been adopted by the majority of our partners internationally.

You mentioned World War I. Again, I am more than happy to talk at length on this subject as the Prime Minister's special representative. Lord Foulkes has heard me talk about this before but perhaps I could come back to that unless you particularly want me to pursue it now.

Hugo Swire MP: It is worth saying that the first service of commemoration will take place in Glasgow Cathedral. It is a Commonwealth service on 4 August.

The Chairman: That is over and above the Commonwealth observance on Commonwealth Day in Westminster Abbey.

Hugo Swire MP: That is separate.

The Chairman: We are running out of time. We have more questions. Lord Hodgson has to go so he wants to put a question quickly, and then I will call Lord Forsyth.

Q380 Lord Hodgson of Astley Abbotts: I apologise for having to leave. I have some amendments coming up at 11.35 am. I just want to talk about the World Service. We have heard a lot of evidence about the World Service from people who have written and spoken about it to us. Obviously it is about to go through a change in its funding mechanisms, and the Parliamentary Questions I put down about ministerial responsibility post the change obviously means that it is going to DCMS, but the nature of the answer was that clearly, Minister, you will be looking over the shoulder of DCMS in any actions that the World Services takes.

Could you update us on where we are with the negotiations and whether you are satisfied that the new funding arrangements will be sufficient for the World Service to play the clearly important role that our evidence suggests it does?

Hugo Swire MP: Yes, I will. It will move off our books, as it were, in April 2014, but we will continue to work together. The Foreign Secretary, not me, will retain a governance role for the World Service and we will continue to collaborate. I think that it is very timely. To answer your question on whether funding can be guaranteed directly, it has always been my view, and was when I was Shadow Culture Secretary, that the universal taxation, which is the licence fee, is more than enough to pay for a robust World Service. We shall have to keep the BBC up to the mark on that.

In the past couple of days, in an Urgent Question I was pressed on DPRK and the situation there with regards to the World Service and broadcasting. It is something that I know has been followed by many of your Lordships. At the end of the day we can suggest to the BBC what it does but we cannot insist. I think that that is the best way to put it. It is editorially independent and makes its own decisions, which is exactly how it should be.

Do I think that the World Service is a useful tool? Yes I do. Am I nervous about the financial withdrawal by the FCO of it? I am not particularly. Do I think that we need to be vigilant in

ensuring that it does what it should say on the tin? Yes, I do. I think that none of us in this Committee or in either House would want to see a diminution in the role played by the World Service.

Q381 Lord Forsyth of Drumlean: My question is on precisely this topic. Why are the Government content to see a very respected global brand, the BBC, overtaken by CNN, Al Jazeera and others, which have the advantage of having some recourse to private capital, instead of taking a view, “Well, we have to run this”, rather as we used to do with the old nationalised industries on the basis that the budget is allocated and has to be seen in the overall context of public expenditure? The opportunities for growth and developing the brand are therefore limited, and a certain culture comes in from that sort of funding. Why is it considered absolutely sacrosanct that the BBC World Service should not be run on a more commercial basis with all the advantages that that would bring to Britain—independent of government but at the same time exploiting its brand?

When the Minister says that the Government cannot tell the BBC what to do, that is one of the reasons why it is so successful. It is seen to be independent of government. Could we not be more ambitious in developing this brand and move away from the idea that it all has to be paid for by the licence payer?

Hugo Swire MP: Tempting though the invitation is to stray on to territory that was once familiar to me, I will try to constrain my remarks. I think that the BBC has some very commercial interests. The list of production companies and other TV companies that the BBC owns or has shares in is absolutely extraordinary. There has been tremendous mission creep by the BBC. The BBC has a huge amount of money and is in an unique broadcasting position, unlike any commercial broadcaster. It has guaranteed income year on year. It is not predicating its programming on advertising in a competitive falling and squeezed market for advertising. The BBC has the luxury of being able to plan ahead because it knows pretty much the spending envelop that it has.

Lord Forsyth of Drumlean: I am talking about the BBC World Service and the opportunities there could be to develop that service. Whatever the BBC has, it is undoubtedly falling behind other international news agencies, which seems to me to be a huge loss for Britain as a whole.

Hugo Swire MP: I think that Al Jazeera is a remarkably good station. It is very interesting for those of us who follow things in that part of the world. Do I have an in-principle objection to the World Service taking on some kind of sponsorship of broadcasting? Inherently, no, I do not, but it is not my call and these matters are best addressed to the chairman of the BBC Trust, Lord Patten.

Q382 Lord Janvrin: I want to ask Dr Murrison a question about public duties in their widest sense. Are they seen to be part of our public diplomacy, if you like? I am thinking, for example, of soldiers marching around changing the guard et cetera as part of tourism attractiveness. Are ship visits abroad co-ordinated with the GREAT campaign? In other words, is there a link with some MoD public duties—I am not talking about participation in World War I commemorations, et cetera—as part of the public diplomacy side, or is it a difficulty for the MoD to find people to do it?

My last question is to both of you. Should there be a Minister of soft power, and, if so, in which department should he or she be?

Dr Andrew Murrison MP: Well, it sounds like a very attractive and tempting appointment. We would probably have to fight over that. I suspect that it follows what Hugo said, with

which I agree. The FCO is the lead in matters that relate to things outwith the territory of the United Kingdom, so we all doff our hat to the FCO. In defence, we implement the national security strategy through military tasks. There are a number of them and they are reasonably well known. It is probably true that the sorts of things we have been discussing today have always happened, only they have not really been described as anything particularly. The Navy, of which I used to be a member I am pleased to say, has been doing defence engagement for ever. Clearly, it sends ships abroad, and wherever those ships go hopefully we do work that is well regarded in the host nation. That is generally the case but not always. That has been so historically and, I would hope, uniformly today.

When I was appointed a little over a year ago, my first job was to fly out to Cartagena in Colombia to join HMS “Dauntless”. We had what amounts to a trade fair on the back of that ship. It was a very early demonstration to me of the way in which defence assets can be used to project British influence abroad and extend in this case to the prosperity agenda. It was not simply about selling things but about talking to key figures in that country, a country that is important to us. That gives an example of how we use our assets wherever we can. We very much view engagement and the public duties that you describe as part of what we do, even if sometimes they are not clearly enunciated in the formulaic tasking that we receive.

Of course, ceremonial contributes to a military task, and I would not characterise it as tourism, as such, although I understand your point.

Lord Janvrin: Nor would I, but it contributes.

Dr Andrew Murrison MP: Of course it does and very importantly too. I do not want to be too sniffy about it. I think tourism is an important part of what we do nationally and in attracting wealth to this country. I would not want to downplay it in any way. But the ceremonial of course extends far beyond that. I think it is important for domestic consumption and domestic appreciation just as much as it is for the tourism receipts to which you refer.

Of course, we are committed to the SDSR process. We will repeat this exercise after the election in 2015 and we are preparing for it now. Apropos my earlier remarks about soft power and yours about representational duties, you can probably expect—perhaps your report might like to reflect on this—that these sorts of things will have an even more prominent part than they did in SDSR 2010.

Q383 The Chairman: We have come almost to the end, but that is a very important point. Will the SDSR replay, or continuation or renewal, be co-ordinated by the National Security Council with all the other soft power interests of the Government and other departments? Is that what will happen?

Dr Andrew Murrison MP: Yes. Defence technically is not in the lead in this, but it will have a very large part to play. The sorts of things that we have been discussing will certainly inform what we hope will emerge in 2015. It is worth pointing out that SDSR 2010 was, if you like, the bedrock SDSR. We needed to do this. The 2015 SDSR will of course take 2010 as the reference point and build upon it, so it is unlikely to be quite as fundamental as the one we had three and a half years ago.

The Chairman: Is that even though the world has changed in the ways you have both described quite dramatically since?

Dr Andrew Murrison MP: The world has changed of course. The world will always change. However, some of the changes we might have reasonably anticipated in 2010 and therefore

factored into our long-term thinking, so the 2015 SDSR is likely to take account of those and update them, and certainly tweak around the edges where it is necessary because of things that have happened that we had not foreseen in 2010. But I do not think that you would expect us to engage in the kind of wholesale review that you saw in 2010.

The Chairman: We are in extra time.

Hugo Swire MP: Does Lord Janvrin want me to comment on those things? Ceremonial state visits and ships visits are hugely important. There are those who still bemoan the fact that perhaps one of the greatest vessels in every sense for the projection of soft power was, of course, the royal yacht. Many consider that to be an absence from our armoury of soft power instruments.

As regards inward state visits, I am very passionate about ceremonial. I speak with all the authority of someone who went the wrong way on Changing the Guard once, so I know a bit about that. It is hugely important. It is part of what makes us different and what we do better than any other country. You only have to be on a state visit: you, of course, have been involved in many. A few weeks ago, President Park of South Korea was hugely impressed. It is something we do remarkably well. We also did the Korean war memorial. That buys us a lot back in the host country. Any attempt to reduce that, although I hope there will be no attempt to reduce it, would be shooting ourselves in the foot.

Should there be a Minister for soft power? Soft power is like breathing. It is what we do. It is our natural default position. Ultimately, the Minister for soft power is the *primus inter pares*. It is the Prime Minister. He is the one who chairs the NSC, which brings all these arms together. That is where it should reside. But all Ministers should get out of bed in the morning thinking soft power. After all, what is soft power? Hard power is sending in the military. Soft power is everything else. That is what we are trying to do.

The Chairman: Lord Foulkes?

Lord Foulkes of Cumnock: No, it is okay.

The Chairman: That is very considerate. We have kept you here for more than an hour and a quarter. You are very busy people. We are extremely grateful to you for the illumination that you have cast on the scene. There are many more questions that we could go on asking but we must obey the demands of time and let you go. Thank you very much indeed.

Government (Justine Greening MP, Secretary of State, Department for International Development) – Supplementary written evidence

Thank you for asking me to provide written evidence, following the oral evidence session of 18 December with Rt Hon. Hugo Swire MP and Dr Andrew Murrison MP.

The Armed Forces carry out fantastic work and make an important contribution to development and conflict prevention. The Building Stability Overseas Strategy, jointly owned by MOD, DFID and FCO, recognises this contribution and underlines the importance of taking an integrated approach. As I am sure you can appreciate, there are times, however, when it is neither appropriate nor practical to put military boots on the ground – this can include in fragile and conflict-affected states. Humanitarian space needs to be protected as humanitarian access is fundamental to ensuring those affected by disasters are assisted and protected.

DFID works extremely closely with the MOD both strategically and operationally and where appropriate, the Armed Forces can provide essential support in humanitarian response. For instance, following Typhoon Haiyan in the Philippines, at DFID's request the MOD provided 2 Royal Navy vessels and 11 military aircraft, which were critical to the success of the UK effort. The work done by the Royal Navy meant that assistance got through to where it was needed, at a time when the humanitarian community could not, which included helping to save two lives. The Armed Forces' support complemented the 16 UK Aid cargo flights, the 25 DFID humanitarian staff deployed alongside military personnel, as well as the DFID staff also fully involved in the operations room in London.

Since 2007, this nature of co-operation has been codified in a Memorandum of Understanding which sets out how DFID and UK forces will work together. Its main principles are that DFID will lead the UK's response to overseas disasters; that it can ask MOD for military support if necessary, although it is clearly understood that UK defence requirements take precedence; and that DFID will cover the additional costs incurred by the MOD in assisting a humanitarian operation.

DFID requests the support of MOD in response to a natural disaster and complex environments in accordance with United Nations guidelines, known as the "OSLO" guidelines. Those guidelines stipulate that support should be provided in line with the humanitarian principles of impartiality, neutrality, humanity and independence. Furthermore, they also state that military assets should be requested only where there is no comparable civilian alternative. This implies that the military asset must be the only way of meeting the particular need and its use should be last resort.

Regarding the "recognition" of military effort on development by the international community, Dr Murrison is right that the custodian of the definition of Official Development Assistance (ODA) is the OECD. All UK Official Development Assistance respects and reports against the strict international OECD definitions of what counts as aid. The OECD says that the main objective must be to "support the economic development and welfare of developing countries". The UK Government will stick to this absolutely while working through the Development Assistance Committee (DAC) to advance the debate on development finance. Following the last OECD-DAC High Level Meeting in December

Government (Justine Greening MP, Secretary of State, Department for International Development) – Supplementary written evidence

2012, and the publication of the High Level Panel Report, development finance has moved up the agenda. As the UK became a 0.7% donor in 2013, we are well positioned to contribute to and shape this debate (in the OECD-DAC) on modernisation of the ODA concept; and in the United Nations on the post-2015 development financing framework.

I hope that you find this response clarifying and useful.

24 January 2014

Government – (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office) – Supplementary written evidence

Thank you for giving me the opportunity to give evidence to the Lords Select Committee on Soft Power and the UK's Influence, on 18 December, and for your subsequent letter of 7 January 2014. I promised to follow up on various points raised by the Committee.

You asked for a breakdown of current UK Ambassadors and High Commissioners, according to (i) gender, (ii) educational background, and (iii) ethnicity.

The answers to your specific questions are:

- (i) Of the 159 Ambassadors, High Commissioners, Heads of International Organisations and Governors of Overseas Territories, 129 were male and 30 (19%) were female. In July 2013, the Foreign and Commonwealth Office Board committed to improve this total and agreed a target to increase the number of female Heads of Posts (currently 38 including subordinate posts) by 24 over the next 4 years.
- (ii) The educational background of any member of staff is a voluntary declaration, and we do not have reliable and comprehensive data that we can share with the committee.
- (iii) Ethnicity is a voluntary declaration. Of the officers that have made a declaration, approximately 3% have declared that they are from a BME background.

You also asked for data on the number of posts currently open, how many UK based members of staff are currently distributed across those posts and what proportion of posts operate with the very small, small, medium or large UK based staffing levels. Attached is a detailed list of the posts that are currently open, as well as the two posts that are currently suspended and have no staff, together with the total number of UK based members of staff from the Foreign and Commonwealth Office in post. The numbers listed are accurate as of 31 December 2013. In all these posts, there will also be a combination of locally engaged staff and UK based staff from partners across government.

Of the posts that have 5 or less UK Based staff, these are broken down as follows:

Number of UK Based staff	Number of posts
1	32
2	38
3	27
4	15
5	15

1 February 2014

Government – (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office) –
Supplementary written evidence

Annex A - List of overseas posts and number of FCO staff in each post.

Country/Territory	Name of Post	Type of Post	UK Staff
Ivory Coast	Abidjan	British Embassy	5 or Less
United Arab Emirates	Abu Dhabi	British Embassy	14
Nigeria	Abuja	British High Commission	24
Ghana	Accra	British High Commission	10
Pitcairn Islands	Adamstown	Resident Representative	5 or Less
Ethiopia	Addis Ababa	British Embassy	23
India	Ahmedabad	British Trade Office	No UK Based or UK Based recorded elsewhere
Egypt	Alexandria	British Consulate General	5 or Less
Algeria	Algiers	British Embassy	8
Spain	Alicante	British Consulate	No UK Based or UK Based recorded elsewhere
Saudi Arabia	Al-Khobar	British Trade Office	5 or Less
Kazakhstan	Almaty	British Embassy Office	5 or Less
Jordan	Amman	British Embassy	28
Netherlands	Amsterdam	British Consulate General	5 or Less
Anguilla	Anguilla	Governor	5 or Less
Turkey	Ankara	British Embassy	20
Turkey	Antalya	British Consulate	No UK Based or UK Based recorded elsewhere
Madagascar	Antananarivo	British Embassy	5 or Less
Ascension Island	Ascension Island	Administrator	5 or Less
Turkmenistan	Ashgabat	British Embassy	5 or Less
Eritrea	Asmara	British Embassy	5 or Less
Kazakhstan	Astana	British Embassy	5 or Less
Paraguay	Asuncion	British Embassy	5 or Less
Greece	Athens	British Embassy	10
United States	Atlanta	British Consulate General	5 or Less
Kazakhstan	Atyrau	British Trade Office	No UK Based or UK Based recorded elsewhere
New Zealand	Auckland	British Consulate General	5 or Less
Iraq	Baghdad	British Embassy	20
Azerbaijan	Baku	British Embassy	8
Mali	Bamako	British Embassy	5 or Less
Brunei Darussalam	Bandar Seri Begawan	British High Commission	5 or Less
India	Bangalore	British Deputy High Commission	5 or Less
Thailand	Bangkok	British Embassy	17
Bosnia and Herzegovina	Banja Luka	British Embassy Office	No UK Based or UK Based recorded elsewhere
Gambia	Banjul	British High Commission	5 or Less
Spain	Barcelona	British Consulate General	No UK Based or UK Based recorded elsewhere
China	Beijing	British Embassy	63
Lebanon	Beirut	British Embassy	11
Serbia	Belgrade	British Embassy	9
Belize	Belmopan	British High Commission	5 or Less
Germany	Berlin	British Embassy	18
Switzerland	Berne	British Embassy	5 or Less
Spain	Bilbao	British Consulate	No UK Based or UK recorded
Kyrgyzstan	Bishkek	British Embassy	5 or Less
Colombia	Bogota	British Embassy	19
France	Bordeaux	British Consulate	No UK Based or UK recorded elsewhere
United States	Boston	British Consulate General	5 or Less
Montserrat	Brades	Governor	5 or Less
Brazil	Brasilia	British Embassy	15
Slovakia	Bratislava	British Embassy	5 or Less
Barbados	Bridgetown	British High Commission	5 or Less
Australia	Brisbane	British Consulate	No UK Based or UK Based

Government – (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office) –
Supplementary written evidence

			recorded elsewhere
Belgium	Brussels	British Embassy	5 or Less
Romania	Bucharest	British Embassy	7
Hungary	Budapest	British Embassy	5 or Less
Argentina	Buenos Aires	British Embassy	12
Burundi	Bujumbura	British Liaison Office	No UK Based or recorded elsewhere
Egypt	Cairo	British Embassy	20
Canada	Calgary	British Consulate General	5 or Less
Australia	Canberra	British High Commission	12

Annex A - List of overseas posts and number of FCO staff in each post.

Country/Territory	Name of Post	Type of Post	UK Staff
South Africa	Cape Town	British Consulate General	5 or Less
Venezuela	Caracas	British Embassy	6
Morocco	Casablanca	British Consulate General	5 or Less
Saint Lucia	Castries	British High Commission	5 or Less
India	Chandigarh	British Trade Office	5 or Less
India	Chennai	British Deputy High Commission	5 or Less
Thailand	Chiang Mai	British Consulate	No UK Based or UK Based
United States	Chicago	British Consulate General	5 or Less
Republic of Moldova	Chisinau	British Embassy	5 or Less
China	Chongqing	British Consulate General	6
Sri Lanka	Colombo	British High Commission	9
Guinea	Conakry	British Embassy	5 or Less
Denmark	Copenhagen	British Embassy	5 or Less
Greece	Corfu	British Vice Consulate	No UK Based or UK Based
Senegal	Dakar	British Embassy	5 or Less
Syria	Damascus	British Embassy	No UK Based or UK Based
United Republic of Tanzania	Dar Es Salaam	British High Commission	6
United States	Denver	British Consulate General	5 or Less
Bangladesh	Dhaka	British High Commission	20
Qatar	Doha	British Embassy	11
United Arab Emirates	Dubai	British Embassy	21
Ireland	Dublin	British Embassy	8
South Africa	Durban	British Trade Office	No UK Based or UK Based
Tajikistan	Dushanbe	British Embassy	5 or Less
Germany	Dusseldorf	British Consulate	5 or Less
Russia	Ekaterinburg	British Consulate General	5 or Less
Iraq	Erbil	British Consulate General	5 or Less
Sierra Leone	Freetown	British High Commission	7
Botswana	Gaborone	British High Commission	5 or Less
Occupied Palestinian territories	Gaza	British Information Services Office	No UK Based or UK Based
Cayman Islands	George Town	Governor	5 or Less
Guyana	Georgetown	British High Commission	5 or Less
Gibraltar	Gibraltar	Governor	5 or Less
India	Goa	British Tourist Assistance Office	No UK Based or UK Based
Democratic Republic of the Congo	Goma	British Embassy Office	5 or Less
Turks and Caicos Islands	Grand Turk	Governor	6
Mexico	Guadalajara	British Trade Office	No UK Based or UK Based
China	Guangzhou	British Consulate General	8
Guatemala	Guatemala City	British Embassy	5 or Less
Bermuda	Hamilton	Governor	5 or Less
Vietnam	Hanoi	British Embassy	8
Zimbabwe	Harare	British Embassy	12
Cuba	Havana	British Embassy	5 or Less
Finland	Helsinki	British Embassy	5 or Less
Greece	Heraklion, Crete	British Vice Consulate	No UK Based or UK Based

Government – (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office) –
Supplementary written evidence

Vietnam	Ho Chi Minh City	British Consulate General	5 or Less
China	Hong Kong SAR	British Consulate General	21
Solomon Islands	Honiara	British High Commission	5 or Less
United States	Houston	British Consulate General	5 or Less
India	Hyderabad	British Deputy High Commission	5 or Less
Spain	Ibiza	British Consulate	No UK Based or UK Based
Pakistan	Islamabad	British High Commission	58
Turkey	Istanbul	British Consulate General	13
Turkey	Izmir	British Consulate	No UK Based or UK Based
Indonesia	Jakarta	British Embassy	18
Saint Helena	Jamestown	Governor	5 or Less
Saudi Arabia	Jeddah	British Consulate General	5 or Less
Occupied Palestinian territories	Jerusalem	British Consulate General	13

Annex A - List of overseas posts and number of FCO staff in each post.

Country/Territory	Name of Post	Type of Post	U
South Africa	Johannesburg	British Trade Office	6
South Sudan	Juba	British Embassy	5
Afghanistan	Kabul	British Embassy	71
Nigeria	Kaduna	British Liaison Office	No UK Based or UK Based
Uganda	Kampala	British High Commission	10
Pakistan	Karachi	British Deputy High Commission	5
Nepal	Kathmandu	British Embassy	5
Sudan	Khartoum	British Embassy	10
Ukraine	Kiev	British Embassy	10
Rwanda	Kigali	British High Commission	5
Jamaica	Kingston	British High Commission	9
Democratic Republic of the Congo	Kinshasa	British Embassy	6
India	Kolkata	British Deputy High Commission	5
Malaysia	Kuala Lumpur	British High Commission	11
Kuwait	Kuwait	British Embassy	10
Bolivia	La Paz	British Embassy	5
Nigeria	Lagos	British Deputy High Commission	8
Pakistan	Lahore	British Trade Office	No UK Based or UK Based
Spain	Las Palmas	British Consulate	No UK Based or UK Based
Afghanistan	Lashkah Gar	Provincial Reconstruction Team	No UK Based or UK Based
Malawi	Lilongwe	British High Commission	5
Peru	Lima	British Embassy	5
Portugal	Lisbon	British Embassy	5
Slovenia	Ljubljana	British Embassy	5
United States	Los Angeles	British Consulate General	5
Angola	Luanda	British Embassy	5
Zambia	Lusaka	British High Commission	5
Luxembourg	Luxembourg	British Embassy	5
France	Lyon	British Trade Office	No UK Based or UK Based
Spain	Madrid	British Embassy	13
Spain	Malaga	British Consulate	No UK Based or UK Based
Bahrain	Manama/Bahrain	British Embassy	5
Philippines	Manila	British Embassy	9
Mozambique	Maputo	British High Commission	5
France	Marseilles	British Consulate	No UK Based or UK Based
Australia	Melbourne	British Consulate General	5
Mexico	Mexico City	British Embassy	17
United States	Miami	British Consulate General	5
Italy	Milan	British Consulate General	60
Belarus	Minsk	British Embassy	5
Somalia	Mogadishu	British Embassy	No UK Based or UK Based

Government – (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office) –
Supplementary written evidence

Liberia	Monrovia	Political Office	5
Mexico	Monterrey	British Trade Office	No UK Based or UK Based
Uruguay	Montevideo	British Embassy	5
Canada	Montreal	British Consulate General	5
Russia	Moscow	British Embassy	29
India	Mumbai	British Deputy High Commission	7
Germany	Munich	British Consulate	5
Oman	Muscat	British Embassy	13
Kenya	Nairobi	British High Commission	46
Italy	Naples	British Trade and Investment Office	No UK Based or UK Based
India	New Delhi	British High Commission	39
United States	New York	British Consulate General	5
Cyprus	Nicosia	British High Commission	9
Mauritania	Nouakchott	Implant in EC Delegation (laptop diplomat)	5 or
United States	Orlando	British Consulate	No UK Based or UK
Japan	Osaka	British Consulate General	5

Annex A - List of overseas posts and number of FCO staff in each post.

Country/Territory	Name of Post	Type of Post	UK Staff
Norway	Oslo	British Embassy	6
Canada	Ottawa	British High Commission	9
Spain	Palma	British Consulate	No UK Based or UK Based
Panama	Panama City	British Embassy	5 or Less
France	Paris	British Embassy	23
Thailand	Pattaya	British Consulate	No UK Based or UK Based
Australia	Perth	British Consulate	No UK Based or UK Based
Cambodia	Phnom Penh	British Embassy	5 or Less
Montenegro	Podgorica	British Embassy	5 or Less
Haiti	Port au Prince	British Embassy	5 or Less
Nigeria	Port Harcourt	British Liaison Office	No UK Based or UK Based
Mauritius	Port Louis	British High Commission	5 or Less
Papua New Guinea	Port Moresby	British High Commission	5 or Less
Trinidad and Tobago	Port Of Spain	British High Commission	5 or Less
Portugal	Portimao	British Consulate	No UK Based or UK Based
Brazil	Porto Alegre	British Commercial Office	No UK Based or UK Based
Czech Republic	Prague	British Embassy	5 or Less
South Africa	Pretoria	British High Commission	21
Kosovo	Pristina	British Embassy	7
India	Pune	British Trade Office	No UK Based or UK Based
Democratic People's Republic of Korea	Pyongyang	British Embassy	5 or Less
Ecuador	Quito	British Embassy	5 or Less
Morocco	Rabat	British Embassy	12
Burma	Rangoon	British Embassy	9
Brazil	Recife	British Consulate General	No UK Based or UK Based
Iceland	Reykjavik	British Embassy	5 or Less
Greece	Rhodes	British Vice Consulate	No UK Based or UK Based
Latvia	Riga	British Embassy	5 or Less
Brazil	Rio De Janeiro	British Consulate General	5 or Less
Saudi Arabia	Riyadh	British Embassy	19
Italy	Rome	British Embassy	10
United States	San Francisco	British Consulate General	5 or Less
Costa Rica	San Jose	British Embassy	5 or Less
El Salvador	San Salvador	British Embassy	5 or Less
Yemen	Sana'a	British Embassy	13

Government – (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office) –
Supplementary written evidence

Spain	Santa Cruz de Tenerife	British Consulate	No UK Based or UK Based	7
Chile	Santiago	British Embassy		5 or Less
Dominican Republic	Santo Domingo	British Embassy		5 or Less
Brazil	Sao Paulo	British Consulate General		6
Bosnia and Herzegovina	Sarajevo	British Embassy		No UK Based or UK Based
United States	Seattle	British Government Office		18
South Korea	Seoul	British Embassy		11
China	Shanghai	British Consulate General		14
Singapore	Singapore	British High Commission		5 or Less
Macedonia	Skopje	British Embassy		6
Bulgaria	Sofia	British Embassy		No UK Based or UK Based
Croatia	Split	British Consulate		5 or Less
Russia	St. Petersburg	British Consulate General		5 or Less
Falkland Islands	Stanley	Governor		10
Sweden	Stockholm	British Embassy		5 or Less
Fiji	Suva	British High Commission		5 or Less
Australia	Sydney	British Consulate General		5 or Less
Bangladesh	Sylhet	British Deputy High Commission	No UK Based or UK Based	recorded elsewhere
Taiwan	Taipei	British Trade & Cultural Office		7
Estonia	Tallinn	British Embassy		6
Uzbekistan	Tashkent	British Embassy		5 or Less

Annex A - List of overseas posts and number of FCO staff in each post.

Country/Territory	Name of Post	Type of Post	UK Staff
Georgia	Tbilisi	British Embassy	5 or Less
Iran (Islamic Republic of)	Tehran	British Embassy	No UK Based or UK Based
Israel	Tel Aviv	British Embassy	11
Netherlands	The Hague	British Embassy	8
Mexico	Tijuana	British Trade Office	No UK Based or UK Based
Albania	Tirana	British Embassy	5 or Less
Japan	Tokyo	British Embassy	22
Canada	Toronto	British Consulate General	5 or Less
British Virgin Islands	Tortola	Governor	5 or Less
Libyan Arab Jamahiriya	Tripoli	British Embassy	16
Tristan Da Cunha	Tristan Da Cunha	Administrator	No UK Based or UK Based
			recorded elsewhere
Tunisia	Tunis	British Embassy	10
France	UK Delegation to Council of	International Organisation	5 or Less
France	UK Delegation to the Organisation for Economic Cooperation & Development	International Organisation Delegation	5 or Less
Austria	UK Delegation to the Organisation for	International Organisation Delegation	7
Belgium	UK Joint Delegation to NATO	International Organisation	15
Switzerland	UK Mission to the Office of the United	International Organisation Delegation	21
United States	UK Mission to the United Nations, New York	International Organisation Delegation	34
Austria	UK Mission to the United Nations, Vienna	International Organisation Delegation	7
Switzerland	UK Permanent Representation to the Conference on Disarmament	International Organisation Delegation	No UK Based or UK Based
			recorded elsewhere
Belgium	UK Permanent Representation to the	International Organisation Delegation	60
			86
Mongolia	Ulaanbaatar	British Embassy	5 or Less

Government – (Rt Hon Hugo Swire MP, Foreign and Commonwealth Office) –
Supplementary written evidence

Malta	Valletta	British High Commission	5 or Less
Canada	Vancouver	British Consulate General	5 or Less
Holy See	Vatican City	British Embassy	5 or Less
Seychelles	Victoria	British High Commission	5 or Less
Austria	Vienna	British Embassy	15
Laos	Vientiane	British Embassy	5 or Less
Lithuania	Vilnius	British Embassy	5 or Less
Poland	Warsaw	British Embassy	7
United States	Washington	British Embassy	45
New Zealand	Wellington	British High Commission	7
Namibia	Windhoek	British High Commission	5 or Less
Cameroon	Yaounde	British High Commission	5 or Less
Armenia	Yerevan	British Embassy	5 or Less
Croatia	Zagreb	British Embassy	5 or Less
Greece	Zakynthos	British Vice Consulate	No UK Based or UK Based recorded elsewhere

'Great Britain' Campaign – Oral evidence (QQ 310-328)

Evidence Session No. 19

Heard in Public

Questions 310 - 328

MONDAY 2 DECEMBER 2013

Members present:

Lord Howell of Guildford (The Chairman)

Baroness Armstrong of Hill Top

Lord Forsyth of Drumlean

Lord Foulkes of Cumnock

Baroness Goudie

Lord Janvrin

Baroness Nicholson of Winterbourne

Lord Ramsbotham

Examination of Witnesses

Conrad Bird, Director of GREAT Britain Campaign in the Prime Minister's Office, and
Alex Aiken, Executive Director for Government Communications, Cabinet Office

Q310 The Chairman: Gentlemen, we are grateful to you for being with us. I ought to begin by saying just as a formality that you have in front of you a list of the interests that have been declared, which should give you a flavour of the interests of the members of this Committee. I should also say that if a Division is called, we will have to adjourn for a few minutes. Let us hope that that does not happen. Thank you very much again for agreeing to be with us. We are coming towards the end of a long series of hearings on an immensely wide range of related topics in relation to the remit of this Committee, which is Britain's influence overseas and the deployment of its so-called soft power. I have put in the word "so-called" deliberately because the concept is a broad one and goes out into many other fields of soft, smart and hard power. That is our scene, and we would be extremely grateful if you could fill us in on your views, particularly of how the GREAT campaign fits into this broader scene. However, to start at a more general level, how do you see the whole campaign relating to public diplomacy's efforts? We have had evidence from one expert saying that it is not what you say but what you do. We have had evidence, which we will come to towards the end of our discussion, that there is always a problem of credibility—of how much one blows one's own trumpet. There are also problems of strategy. We will come to all that, but perhaps we can start by directing the question to Mr Bird, who is in charge of the GREAT campaign, and if Mr Aiken would care to give us some background or chip in, he should do so. The question is: how does the GREAT campaign fit in with the broader aims of our diplomacy?

Alex Aiken: Thank you very much. You are absolutely right that Conrad leads the GREAT campaign, although it may be helpful to explain to the Committee that as the director of Government Communications, I have the responsibility of overseeing the strategy, management and professional leadership over the whole of government communications. The GREAT campaign is a flagship campaign in terms of its impact, which I hope we will be

able to demonstrate to you over the next hour or so. What you have heard from the Foreign Office in writing and from Hugh Elliott, who is the director of communications at the Foreign Office, will help to set the context to that. In terms of public diplomacy, Conrad is best placed to respond to the Committee.

Conrad Bird: In terms of how the GREAT campaign fits with the broader aims of the UK's public diplomacy effort, while it fits, it is more focused than the entire public diplomacy campaign. It has much more measurable economic outcomes and it is aimed at specific audiences in specific countries. The target audience has mainly been tourists and travel agents, potential investors and potential students. It carries many of the same assets as a public diplomacy campaign but it is more targeted at certain audiences in certain countries in order to get a demonstrable and measurable effect, which is more jobs and growth for the UK.

The Chairman: And why now? Why do we feel we need this sort of operation? Has something changed in the world that was not the case under previous Governments?

Conrad Bird: Certainly the GREAT campaign is part of the Government's prosperity agenda, which for those who know the Foreign Office is now one-third of its objectives. It has come from the economic crisis that has underlined the need for Britain to export more and to be able to bring in more foreign direct investment, tourists and students. But also we had a strategic opportunity in 2012 in the form of the Olympics and the Diamond Jubilee, which gave us a global platform and a once in a generation time when the eyes of the world were looking at us. The combination of the opportunity in 2012 and issues around the need to export more generally actually brought about the GREAT campaign.

The Chairman: What I am getting at behind my question is really whether there is a new audience, a new context in which Britain has to put forward its case in order to persuade people to invest in Britain, buy British, and regard this country as an attractive place to come to. Have things changed in some fundamental way?

Alex Aiken: I think it is worth noting something that we are all aware of, which is that the world has changed. As some of your previous witnesses have said, we live in a social networked world and therefore the growth in and the power of marketing communications is such that it makes sense to develop those tools in order to create digital, evaluated campaigns that help to support the traditional sources of public and international influence and power.

Q311 The Chairman: That is very helpful indeed. You would both accept, would you not, that this is not the totality of the Government's soft power story and that it is not confined to the Cabinet Office or to the Foreign Office? We have had people connected with other departments talking about their interface with the changing nature of the wider world.

Conrad Bird: It is certainly part of, but not the entire story, of the Government's soft power assets. I have seen in previous evidence the value of the English language and our cultural institutions. There are so many aspects to British soft power and influence. This campaign sometimes showcases some of our soft power assets. We are very strong on our cultural heritage as a tourist destination and we are very strong on our education assets to attract more students. We talk about our innovation and the tax regime in the UK in order to attract investors. So, yes, it overlaps with some of the soft power activities, but with the discernible aim to showcase the best that Britain has to offer in order to try and drive the measurable delivery of more jobs and growth into the UK.

Lord Foulkes of Cumnock: I am a bit unsighted about it. Can you explain whose idea it was and who decided on the title?

Conrad Bird: It came about probably in January and February 2011 when we were looking at 2012 as an opportunity. We very much saw the need for a combined strategy to see if we could pull together all the Government's international promotional efforts under one brand or umbrella.

Lord Foulkes of Cumnock: Was that in the run-up to the Olympics?

Conrad Bird: Yes, in the run-up to the Olympics and looking forward to the opportunity that we would have. A team of cross-government people looked at the merits of a variety of alternatives to try to create a brand that we could use to maximise the economic legacy of the Olympics and take advantage of that moment in time. That was how the idea of the GREAT Britain campaign was born. I have seen some of your notes, which suggested alternative titles. We were very keen not to try and present this as a kind of Cool Britannia because we wanted to stress—

Lord Foulkes of Cumnock: That was too Blairite, was it?

Conrad Bird: No, it was because we wanted to stress the strengths of Britain's heritage. We did not want to throw the baby out with the bathwater. We wanted to show everything: modern Britain when it was relevant and ancient Britain when that was relevant. That was done in order to attract people to this country. That was the idea behind the campaign.

Lord Foulkes of Cumnock: We will be asking some questions in detail later about the nature of the campaign. When you were discussing what the title should be, was it thought that it might sound a bit too imperialistic?

Conrad Bird: Given the way the campaign is constructed, very often you do not see Great Britain. The message we are trying to promote is this: heritage is great in Britain, culture is great in Britain, music is great in Britain. We are taking certain provable messages that we know that our audiences find desirable in these areas and promoting them. Rather than promoting something called "Great Britain", we are promoting the assets of heritage, culture, innovation and sport. It is an important difference. We are saying that Britain is a great place to invest in, to visit, to study in, and to do business with British companies. We are not saying that Britain is great but that Britain has great features which the audience, when they are showcased to them, find desirable and that encourages them to come here. We see that as an important difference.

Q312 Lord Forsyth of Drumlean: You mentioned that you see this campaign as being a way of exploiting—perhaps exploiting is the wrong word—building on the Olympic Games. Can you tell us a bit about what you are doing in similar regard to the Commonwealth Games?

Conrad Bird: Yes. Overseas, we are celebrating the Commonwealth Games as a great sporting occasion, and our posts around the world are referring to it as such.

Lord Forsyth of Drumlean: Is that it?

Conrad Bird: We are also hosting a business embassy in Glasgow that is particularly related to an event on inward investment around the Commonwealth Games.

Lord Forsyth of Drumlean: So would it be fair to say that not the same effort is being put into promoting Great Britain in the context of the Commonwealth Games in Glasgow as there was to the Olympic Games in London?

Conrad Bird: I think so, yes, we are slightly dialling that down. There are other aspects of Britain that we will be working on next year and over the coming years.

Q313 Baroness Goudie: We see now that the campaign was launched in 2011 and I think you have funding until 2016. How do you see the beginning, the middle and the end of the campaign? How are you measuring it? Do you have somebody in all the major embassies around the world as your main contact?

Alex Aiken: At the moment we have established the campaign in around 80% of the embassies around the world. We are working on the remaining 20%, but as you can imagine, we do not have a GREAT presence in some countries because it is not appropriate. Syria would be an example. We have gradually built the campaign up. It is at the disposal of ambassadors and high commissioners around the world, and that is important because it is a tool for them. It is not something that we impose on them. It is something that they can use, and there are some very good case studies showing how it has been used to build trade, tourism and educational links around the world. In terms of the timeline, one thing I am determined to do is to make sure that the campaign continues for as long as it is useful. The constant monthly evaluation of the campaign helps us to understand what works and build organically on that. My professional view is that a campaign of this type should run for at least a decade or more in order to have a maximum impact and to learn the lessons. I think that it has worked pretty well during the years that Conrad has been overseeing the delivery of it.

The Chairman: If I am the ambassador of a medium-sized country and I get word from London that the GREAT campaign is on, is not one of my thoughts going to be, "Well, these are all the things I am here to do already. I have to promote my country, make contacts, practise cultural diplomacy, and put my back into commerce in the form of business deals by accommodating visiting Ministers". That is something that ambassadors have to do. "Now they are telling me to do some campaign as well". I am deliberately putting the bad side, but perhaps you can respond with the good side.

Conrad Bird: Okay, I will put the good side. I think that many ambassadors see it as an opportunity. We have to divide the mechanism of the campaign in a number of ways. First, there are the great funded markets, which are the BRICs—Brazil, Russia, India and China. In France, Germany and the Gulf we do some tourism work. Then there are five emerging markets—Mexico, Indonesia, Poland in emerging Europe, Turkey and South Korea. Those are markets that are being identified and assessed on their potential for return and they receive the bulk of the GREAT funds. There is also a smaller innovation fund for other markets with strong ideas to bid for. Most recently, Malaysia put in a good pitch for an idea around a British retail week that had a very good return on investment. Then you have the other countries. They have the benefit of being able to draw upon the central assets, the free to use assets, which we have created for the campaign. Given that one-third of ambassadors' objectives in every country are on prosperity, they see the campaign as a good toolkit to help them to achieve their objectives on prosperity by assisting in aspects of education marketing and tourism. This really does fit with ambassadors' strategic objectives at post. They do not see it as an extra burden but as a useful high-impact toolkit of free assets that they can use to achieve their own objectives.

The Chairman: We are getting into the structure here, and we wanted to talk about that.

Q314 Lord Ramsbotham: I am interested in the formulation of the policy. Who lays down the policy that is going to be followed in a particular country? As we have heard, it is not just about the ambassador. Other ministries are frequently involved in doing their bit,

having been co-ordinated by the ambassador. How is all this pulled together so that there is a coherent direction?

Conrad Bird: The governance of the GREAT campaign really reflects that question. There is a GREAT programme board, which is chaired by Maria Miller, the Secretary of State at the Department for Media, Culture and Sport. It is attended by senior officials from the Foreign Office, VisitEngland and VisitBritain, UKTI, the British Council and UKVI. The Treasury and BIS are there, along with other representatives such as London & Partners. All the objectives and policies on trying to promote Britain's growth are co-ordinated through that board and then assisted and delivered at post.

Lord Ramsbotham: That direction does not conflict with direction from the Foreign Office. Does it go through the Foreign Office?

Conrad Bird: The Foreign Office is a key partner of the GREAT campaign. It is a financial contributor to it and it is a delivery partner in actually delivering at post. The Foreign Office is absolutely key to the campaign. Certainly when we are working with ambassadors, we always say that they are central to the delivery of the campaign at post, and therefore we work very closely with them.

Alex Aiken: For example, GREAT was an integral part of the diplomatic excellence conference held in London earlier this year, when the ambassadors and high commissioners return for briefings and so on. You heard from Hugh Elliott about the story in Mexico where the ambassador used the GREAT campaign successfully to drive up inward investment to the UK. That was one example that was spoken about from the platform at the conference. Certainly my sense from attending that conference was that the campaign is something that the Foreign Office and ambassadors fully embrace.

Lord Foulkes of Cumnock: Just to make a point on Mexico, investment was on its way up anyway. How can you prove that the GREAT campaign was the factor that made it rise a bit further?

Alex Aiken: I think it is worth saying that the ambassador was clearly prepared to talk to other ambassadors at the conference about the GREAT campaign because he believed that it was an asset in driving up inward investment and the reputation of the UK. That is one piece of evidence, but Conrad can talk in more detail about the evaluation of the campaign.

Conrad Bird: We are very careful on evaluation. It would be easy to try to overclaim for the campaign, so in a sense we follow the money. When you have specific GREAT-funded events that can yield a return, whether those are foreign direct investment leads or where we use GREAT money to tackle new markets, that is the real tracking that we do. For instance, this year for our half-year evaluation we can see that UKTI has generated 350 new investment leads directly from GREAT-funded activity. Yes, it can be against a background that is very strong, but we are looking at particular events where we can prove that the contacts made have actually delivered an inward investment lead that could then be turned into an inward investment deal.

Q315 Lord Foulkes of Cumnock: Can you sympathise with us as members of this Committee? Everyone is coming along and telling us how wonderful everything is and how Britain is brilliant. You are telling us that the GREAT campaign is the bee's knees. Could you be Maoist just for a few minutes? Where is it not successful, and why?

Conrad Bird: Certainly. When we look back we can see that this is the first time that any country has tried to combine all four strands of this effort, so we are bound to have experienced failures or made mistakes on the way.

Lord Foulkes of Cumnock: Give us a few examples.

Conrad Bird: Let me give you a few examples then. The first thing is the funding cycle. When it started the feeling was that the campaign was just for 2012. That prevented us from really engaging with private sector businesses and cultural organisations that have a four to five-year planning cycle. They saw this as a campaign that might last only a year, so some of our relationships with them were quite transactional rather than long-term and strategic. We have corrected that as we have got more certainty. We have set up a great private sector partners' board with major businesses that are really engaging in the campaign and contributing cash, and in kind—real money into the campaign. So the first thing I would say is that the set-up of the campaign felt short-term and therefore we were not able to commit as much.

Equally, I would say that the application of the brand in countries has not been of the highest quality in every market. I have seen errors. I have seen some less than excellent application.

Lord Foulkes of Cumnock: Give us a name.

Conrad Bird: Do I have to name names?

Lord Foulkes of Cumnock: Yes, why not?

Conrad Bird: Okay, let me be honest. I remember being woken up early one Sunday morning by a DCMS press officer who said that the *Mail on Sunday* was on the line because we had spelt Brecon Beacons wrongly in one of our big countryside ads.

Lord Foulkes of Cumnock: Shocking.

Conrad Bird: It is shocking. I am sorry about that. It appeared on a poster in a New York subway train. Only three ever appeared, but one was spotted by a member of the public who felt that he ought to alert the *Mail on Sunday*. So there are minor mistakes in the whole thing.

Lord Foulkes of Cumnock: I am personally not too worried about the *Mail on Sunday*, but in other parts of the world it is not as effective as in others.

Conrad Bird: When we launched the first tranche of the campaign, we launched it into markets such as Japan, Canada and Australia. Certainly in Japan we found that as a campaign it was not having as much of a return on investment as in places like China, Hong Kong and India, because Japan is a very expensive media environment and the Japanese people did not respond as well to the brand. That does not mean that we do not do GREAT activity in Japan any more, but in terms of the amount of money invested in the tourist campaign in Japan versus the return on investment of potential visitors coming in, it was one of the less successful countries that we aimed at, so we shifted.

The Chairman: We might return to that, but for the moment Baroness Goudie wants to come back again.

Q316 Baroness Goudie: I just wanted to come back and talk about the groupings of countries that you were working with. You did not mention Brussels, which I personally think is quite important, or the grouping together of the ASEAN countries, which are really important to us, especially with the way everything else is going in trade. You talked about Syria. What we are doing with refugees and in other work is part of soft power, and I would have thought that the GREAT campaign has a role in working with these countries in that way just as much as it does in trade with other countries. We have put in, and will continue to give, large amounts of aid to the refugees in Syria, Jordan and Lebanon and elsewhere, including here.

Also, are we liaising with the UN, because there are trade issues around the UN as well, where there are great gatherings regularly? Also, there are some big international gatherings coming up and our government Ministers are going to be there, along with other Prime Ministers. There again, are we going to be having some meetings on the side, which other countries are beginning to have, with what in political terms we would call it the fringe? Around all these gatherings now, Governments around the world are supporting a fringe.

Alex Aiken: These are all important issues, but let me reassure you that Syria, the plight of the refugees and Britain's help to those refugees are absolutely central to government communications as a whole. That is included in the work that I co-ordinate on behalf of the Foreign Office, DfID and the Ministry of Defence. I hope that we have been seen to do the right thing and to have been as comprehensive as we can in the very difficult situation there.

Baroness Goudie: Absolutely. I am not questioning that, but I think it is also part of this. You say that Syria does not warrant being around the GREAT campaign, but I think it does as much as other countries do. Others might disagree with me, but that is my view.

Conrad Bird: Can I try to answer that? When we kicked this campaign off, we had a limited budget. It is a lot of money, and we take it very seriously and track it very closely, but to put it into context, the initial budget was £37 million. That is a large sum, but to undertake a major global advertising marketing campaign, it is really quite small. Our competitors are spending much more than us even on tourism. I can share some figures with you in a moment. It meant that we had to focus very tightly in the first instance on the countries that would give us the greatest economic return. I go back to that point about focusing on the countries with great funded activity but then inviting other countries to take advantage of the assets.

There is a big dilemma and a big discussion here: do you spread the jam too thin and allow all 30 - 40 countries to have a small amount of budget, or do you try to focus and make an impact in some of these very large, very important countries such as China, India, Russia and Brazil? We decided to focus the limited resources on a few key countries to try to get the maximum return, while inviting other countries to be able to participate in the campaign but using what I would call their "business as usual" budgets.

The Chairman: You mentioned tourism twice. Of course, the tourist agencies and authorities have their own campaigns around the world, so the GREAT campaign rather supplemented these, did it?

Conrad Bird: Certainly the VisitBritain campaign did. VisitBritain is a key delivery partner, and the GREAT campaign has supplemented its work and worked much more with it. It continues to do its marketing and promotional activity, much of it joint-funded, but it uses the GREAT-funded funds to promote much more widely the image work that it does.

Q317 Lord Forsyth of Drumlean: I am sure that the GREAT campaign is doing a great job, but listening to this I cannot help thinking that this is just displacement activity. I am very out of date now, but I remember the days when William Hague was the Welsh Secretary and I was the Scottish Secretary, and we would find ourselves bumping into each other in Japan, where he was trying to persuade people to locate in Wales and I was trying to persuade people to locate in Scotland. I watched an advert on the television the other day from VisitScotland, which seemed pretty close to a campaign for independence actually. There is the London Tourist Board and all these agencies. We have ambassadors all over the world whose budgets are being cut because the Foreign Office budget is being cut, and it seems to me that this GREAT campaign is simply taking money away from established activities and channelling it in a particular direction that is decided according to the

committee and the brand, but it is not really adding any value, is it? It is just displacing other activity and, because of the control of the funding, forcing organisations to do things that they might not otherwise do. I am sure you have an answer to that.

Alex Aiken: As someone who has come to the campaign in the last year, I should say that it is important to remember that while we are here representing the organisation of the GREAT campaign, all the partners that Conrad referred to earlier come voluntarily to the GREAT campaign board meetings, which I attend. They do not need to come. There is also a private sector element to it. These people come together voluntarily, and they believe that there is worth in coming together. You have heard from people such as Mary Rance and Professor Riordan, who have said that GREAT is beginning to bear fruit because it is more than the sum of its parts.

Lord Forsyth of Drumlean: We have heard that assertion, and I have no doubt that it is a great networking organisation, but my question was about added value and whether it is just displacing other activities in a way that might be inefficient and not actually directly informed in the way our ambassadors on the ground would be.

Conrad Bird: First of all, ambassadors are very involve in it, but I would go back to the metrics and say that this campaign has so far in its first year delivered a return of over £500 million for Britain from £37 million. That is a straight economic return from that. We can go through that in a moment.

Lord Forsyth of Drumlean: Sorry to interrupt you, but if you are going to quote a figure like that, what is the equivalent figure for our ambassadors or the other organisations that are involved in promoting Britain?

Conrad Bird: I am not sure that I can answer that question. They promote Britain through their personal influence, but these are funds which they now use to promote Britain, so this is part of their effort as well.

Lord Forsyth of Drumlean: Yes, but—sorry to go on about this, Chairman—our embassies are given budgets and they promote Britain. If you are going to make a calculation based on the project that you have promoted and which that produced that, surely you have to look at the other side of the balance sheet, which is what they achieve using the budgets they have. If you have not done that, how do you know that you are adding value?

Conrad Bird: First of all, it is not “you”. One of the strengths of this campaign is genuinely that it is not as centralised as it sounds. It is a really cross-government effort, and is unique in that. The number of organisations with different objectives have come together to use this and work it very hard indeed. It is extraordinary. One of the things that research among 20 embassies recently reported was that one of the most valuable aspects of the GREAT campaign was the way it unified at post the efforts of the British Council, the UKTI, the ambassadors, the Foreign Office, VisitBritain and UKVI. They actually said that this has pulled together groups of people with a focused effort to try to make a difference, so I would say that this helps them to do their job much more effectively, and they recognise that.

Lord Forsyth of Drumlean: So you would say that the resource that is being put in here compensates for the fact that the Foreign Office budget and the British Council budget are being cut.

Alex Aiken: Well, we live in an age of austerity. I am aware of that as the head of a government communications service that spent £1 billion in 2010. We spend £500 million today, and part of that is the GREAT campaign. That is still a significant sum. Nevertheless, we are all aware that we have to work very hard to get extra value from taxpayers' pounds,

and that is what we are about. Obviously the Foreign Office must speak to how they measure the outputs and outcomes from their work, but we were tasked with measuring the GREAT campaign, which is why we focus on the figures from our campaign.

Q318 Baroness Nicholson of Winterbourne: Thank you very much. Mr Bird, I have a couple of questions. Do you have the capacity, the competence, the power to ensure that the template that you have created at the top is replicated at the bottom on the ground in country? Where I go I see a lot of fragmentation of British effort from the different ministries in several big countries. In one in particular, which is one of yours, DfID has a different office from the embassy, for example. Do you have the capacity to make the template go right down, and if so, how is that working?

A parallel question. As we are all aware, Britain's great trade and investment are largely powered by the small to medium-sized enterprises. You have naturally, I feel sure, tapped the classic pioneering big companies of Britain, which are always willing to respond to government and to try to put some funding in and be helpful. That is really just skimming the surface of the companies that are already hugely successful and very powerful. What about tackling the SMEs, which are 95%, if I remember correctly, of British business?

Conrad Bird: I am happy to answer both questions, if that is okay. To the first question, on whether I have the capacity to deliver the template, the answer is yes - in theory. There is a branding template that is flexible but certain parts of which are rigid—the use of the union Jack and so on—and all those departments, UKTI, the Foreign Office and so on should apply it consistently on the ground. DfID is an interesting one. It has just begun to come into the campaign because it has more of a business focus in certain of its activities. It has talked about the innovation that British companies can bring in to help some of the world's poorest people. DfID has quoted some lovely examples. As a department, it was not part of the main caucus going forward, but is coming in on certain messages—as, incidentally, are other departments. For instance, Defra, which is interested in and tasked with exporting food and drink, has begun to join the campaign. So we are beginning to see more departments with an international remit actually joining the campaign where that is appropriate for them. So, yes, I have a certain amount of control. It is carrot and stick because the campaign is good looking and of high quality, and when it is used we know it is effective. Also when it is used, people know that you gain extra power from the consistency of the effort. It is a good substitute for, frankly, some of the less high-quality vehicles that are used. Ministers going around will always come back to me and say, "That was brilliant there, but I noticed that when I went to one country I did not see the full application of the GREAT brand". I will then take that on board and try to encourage those posts to do it. So I have a certain amount of control over that.

In terms of the SMEs, you are so right. SMEs are vital and we have some major sponsors on board. Major companies have supported us. However, two things are happening. First, you may have just seen a campaign in the UK kicking off to encourage British SMEs to take advantage of exporting services and trade missions that UKTI offers in order to go to some of the markets with which we are involved. So we are trying to recruit SMEs and get them to grow, get themselves ready for exports and go to our markets. Equally, we showcase some of the most fantastic work by SMEs. I think of the lovely example of a small company in Cornwall called Tregothnan, which is the only grower of tea in this country, and it is exporting that tea to China. It is not a large company but we showcase it. We say that that is fantastic. There is an amazing watch designer called Roger Smith, who is almost a one-man band and has produced a beautiful watch. Every single bit of it has been handcrafted, and it is an example not just of a fantastic watch but of British craftsmanship and creativity. We take

something such as that and try to showcase it around the world. So we are equally keen to showcase the best that Britain has to offer, whether it be from big companies or smaller companies. We are very mindful of that need to encourage the, I think, one in five companies that export and get that figure down to one in four—that vital figure where we can encourage British SMEs to become more productive and competitive by exporting. So we are very supportive of them as well as the large companies. Actually, we tend to support the SMEs more, while we tend to try to work with the larger companies on jointly funded exercises. However, SMEs go along on trade missions.

The Chairman: We have talked a bit about the structure and budget of the campaign. Lord Ramsbotham, did you want to pursue the structure issue more, or do you feel that we have covered it?

Q319 Lord Ramsbotham: I think that we have covered it, but there is one aspect that I would like to explore. Very early on we heard that the NSC was, if you like, the directing agent of soft power. We are slightly surprised, because inevitably if the NSC is known to have been doing that propaganda, other things begin to creep in. We had an interesting discussion about how the European effort was co-ordinated in a way that was all working in Europe, and the NSC was able to do the same sort of co-ordination with other countries. However, what is the relationship between your campaign and what the NSC is doing as a sort of national programme, rather than the sort of things that you are trying to produce?

Conrad Bird: To be honest, I left the Foreign Office some time ago, so I am not sighted on the NSC's control over soft power strategy. I certainly think, though, that it is where it is. GREAT is only a small component of Britain's soft power strategy in that whole area. I should emphasise that. I understand soft power and see it as a much broader piece than the GREAT campaign fulfils. Therefore, many of the people who might be on the NSC might be aware of the GREAT campaign and its economic aims, although it may not be part of the NSC's other security aims.

Lord Ramsbotham: But you do not see yourself as part of the NSC empire in all this? You do not see yourself as one of the soft power tools that the NSC is deploying, or do you?

Alex Aiken: I sit on both groups: the GREAT board and the comms group, which helps the NSC with its communications, and the two agendas are very different. I cannot recall an element of overlap at the communications level.

The Chairman: Baroness Armstrong, do you want to pursue this or come on to the broader question of propaganda and other things?

Baroness Armstrong of Hill Top: Yes I wanted to come on to that.

The Chairman: In that case, we will leave that for the moment. I will move on to Lord Janvrin, who wanted to go further on the money issue.

Q320 Lord Janvrin: I want to probe a bit more on evaluation and how you are measuring it. You said you had some figures, and in particular you mentioned £500 million as a figure of the return on the £37 million spent on the campaign. Can you go into a little more detail on that? How do you measure success in the education field, given some of the issues that arise there?

Conrad Bird: I am very happy to do that. In evaluation there are a number of phases and we always have to look backwards. The £550 million refers to the official launch of the campaign, which is when it arrived on the streets in February 2012 and measured up to March 2013, and we then move on to the next year. That £550 million was made up of three key component measures in just the markets we mentioned. There was £300 million in

relation to a VisitEngland campaign, a “staycation” campaign in which we encouraged UK citizens to stay in the UK during the Olympics. That yielded £300 million of value. Some £200 million was from VisitBritain tourism activity, which again was generated over that period of time. UK Trade and Investment estimates that approximately 30 inward investment leads were generated from the initial GREAT campaign activities, which looked at something like £70 million. This is where those figures came from.

Moving forward, we estimate that for the £30 million budget this year the return on investment should be nearer to between £600 million and £800 million. That is what we are projecting. It is made up of a combination of inbound tourism, inward investment, supporting British companies overseas and encouraging students to come to the UK. This measurement is difficult, but on the tourism side these are National Audit Office-audited models that we are using to evaluate whether people who have been attracted towards Britain or are considering it as a destination have seen the GREAT campaign and whether as a result they are more likely to come and visit. That is how we measure all those areas. On the inward investment side, we ask them, “Where did you hear of us? What attracted you?”.

On the point about promoting GREAT, we talk as if the campaign is right up there but it is actually very much couched in fact. When we make claims about, for instance, our cultural heritage, inward investment and how easy it is to set up a business here, they are always backed up in the body copy and the facts that go with it.

Baroness Armstrong of Hill Top: How, then, are you actually evaluating it? It would seem to be incredibly costly. Either you are interviewing every tourist who comes here and asking them, “Did you come because you saw the GREAT campaign or because you were visiting Auntie Joan in wherever, or because you wanted to see a Shakespeare play, or because there was a good deal from your travel agent?”. It does seem to be incredibly difficult to assess why tourists come to this country and put it down to one cause. I will come on to students in a minute.

Conrad Bird: It is, but this is standard advertising practice. First of all, we do not interview every person coming in. This is modelled on focus groups in the marketplaces.

Baroness Armstrong of Hill Top: Focus groups, rather than—

Conrad Bird: I am talking about 1,000 people. When I say focus groups, it is larger than that. It is sampling. We are working out the consideration of coming to the UK among those people who have and have not seen the advertising. Then we see how that comes through in terms of where those visitors are coming from and their average spend per visit, which VisitBritain knows and has models for, such as the Chinese, and we calculate on that basis. So there is an element of modelling in it, but the IPS survey backs up the bigger results as they come in. We have to estimate, which is why these are NAO-audited models to assist us in this process.

Alex Aiken: We would not want to leave you with the impression that it is done just on sampling. Every event that the GREAT campaign undertakes is evaluated at that level, and then our partners will report to us on particular activities. For instance, the Football is GREAT campaign generated around 600,000 visits to marketing channels. That is another part of the evaluation that is put in place.

Baroness Armstrong of Hill Top: I find that incredible because, for example, I go to Zanzibar for different reasons, sometimes for a holiday but also to look at Voluntary Service Overseas projects. I see written up in small letters stuff about how wonderful Arsène Wenger is. I talk to children who know more about the details of Manchester United than I

do, and I am a football fanatic. I do not believe that their parents or whoever are interested in coming to this country only because they have seen the Football is GREAT! campaign. Actually, when I have been in Zanzibar I have seen no GREAT campaign issues. Zanzibar may be a bad example because not many will come from there to this country.

Conrad Bird: And the campaign would not claim credit for that. Simon Anholt's point about nation branding is right: we have an incredibly powerful nation brand called "brand UK". GREAT is not saying that it is a nation brand, but we are taking some of the very strong components of that nation brand, magnifying them and showcasing them in various destinations. Britain exists and will carry on existing way beyond the GREAT campaign. However, we are claiming that by using advertising models, standard models of destination advertising the GREAT brand has pulled in the amount of income to which I referred. However, no country advertising itself can claim that advertising alone is making this country the destination, because the country is attractive in itself.

Lord Janvrin: I just wanted to come back on the education issue and how you measure it. Have you run up against issues around visas for students and so on in opposition to what you are trying to do, and have you had any input into that policy debate?

Conrad Bird: Education is interesting. If you take the recording of tourist figures, they come in quite early. You can do something and measure it a year later. From talking to the British Council I can say that its cycle of evaluation takes longer. We do not know but we have not claimed any education figures, as yet, for the campaign. We do have some very interesting points. For instance, in India, despite all the challenging marketing conditions, the latest on the ground intelligence from UCAS shows a 19% year-on increase in the number of applications, while the British Council has reported a 12% year-on increase. GREAT can claim credit for some of that, because in the same way as Britain is a tourist destination, many of those education numbers will be generated by GREAT-funded activities marketing themselves to potential students, going to big trade fairs, talking to parents and working in that way. In China, for instance, we have a specific boarding school campaign that is totally GREAT-funded because GREAT can take activities that people want to do to new places and support them. The boarding school campaign in China has so far directly engaged 105,000 individuals within our target audience in direct face to face activity, conducted a large amount of online activity and worked with media outlets to promote Britain. In the same way in which you can market a destination, you can also market the UK as a place to study. That is very much a strong component of our campaign. However, that £550 million figure does not at the moment contain a really accurate calculation of the education numbers, as yet.

Q321 Baroness Armstrong of Hill Top: Given that we have received a fair amount of evidence from other people on the impact of visas on education exchanges and visits, I just wanted to ask whether that has been a problem for the embassies?

Conrad Bird: It certainly has; perceptions of the British visa regime have damaged our activities overseas in places such as India and China. We know that. We see it through the papers and so on. That is why, from the very beginning, UKVI has been part of the campaign. We cannot reflect on policy but we can communicate very strongly to change those perceptions. I was interested to see that very early on in the campaign in China. All the partners, including UKVI, work with the British Council, the Foreign Office, UKTI and VisitBritain, to take the visa message around 16 cities, a kind of road show, to explain the ease of access and so on in relation to this. Yes, we are trying to communicate the positive aspects of the visa regime as best we can.

Lord Forsyth of Drumlean: I am sorry to be terrier-like on this issue, but I am struggling with it. You quoted some figures on visits to Britain which you then turned into value that had been added as a result of the campaign. I guess you cannot give me the information off the top of your head, but there is the organisation VisitEngland and the organisation VisitBritain, both of which have budgets. Are they using the same focus groups or whatever you call them to evaluate their activities and the return on their budgets? How do they compare with yours? If you do not have that information, could you let us have a note setting it out? It strikes me as quite bizarre to say that all these tourists came to the Olympics because of our efforts and this particular programme.

Conrad Bird: We are not saying that. We are deliberately not saying that.

Lord Forsyth of Drumlean: What are you saying then?

Conrad Bird: We are saying that many tourists came to Britain as a result of the Olympics. It was a fantastic and absolutely brilliant moment and it certainly changed and enhanced our reputation overseas. We have seen that through Anholt figures that show that our natural beauty goes up and actually the quality of our welcome goes up. The Olympics are a very important brand.

Lord Forsyth of Drumlean: In answer to Lord Janvrin's question you said that you had created this return by attracting these people to Britain.

Conrad Bird: Yes. The Olympics attracted many millions of people to Britain.

Lord Forsyth of Drumlean: Forget the Olympics.

Conrad Bird: No. The Games absolutely did attract those people to Britain. That is what we have measured. Those people saw the advertisements and we have traced them through the sampling and the focus groups. They said that as a result of seeing the GREAT campaign they were more attracted to the UK, and in time some of them came to the Games. We can track those people as a result of seeing the GREAT advertisements.

Lord Forsyth of Drumlean: How does that compare with the activities of VisitScotland, VisitEngland and VisitBritain?

Conrad Bird: First of all, VisitBritain's activity is GREAT activity. When VisitBritain does its international research, it is tracking it. I know you are confused and I apologise for the complexity here. VisitBritain is a fully signed up partner to the GREAT campaign, so when it advertises it uses the GREAT brand, and the returns you see are the result of GREAT activity.

Lord Forsyth of Drumlean: But they are not using your budget, they are using their budget, are they not?

Conrad Bird: No. The budget goes to VisitBritain. When we talk about a centralised budget—

Q322 Lord Forsyth of Drumlean: That is confusing the picture. What I am trying to establish here is what value is added by the GREAT campaign. You are saying, "These tourists came to Britain and spent this amount and therefore we added such and such a value, and we know that because we have done the research with the focus groups". I want to know whether VisitEngland is doing exactly the same evaluation and are you able to demonstrate that you add value over and above what would have happened if VisitEngland had put its advertisements in Zanzibar or wherever?

Conrad Bird: Quite right. Perhaps I may make the distinction. The money that VisitBritain got from the GREAT campaign is used overseas. VisitEngland's money was actually used to promote England as a tourist destination to people within Britain. That is how it is tracked there, and that was money made for the GREAT campaign. VisitEngland was using the money for a domestic staycation campaign to try and ensure that citizens stayed in the UK during the Olympics. VisitBritain's money was used to promote Britain abroad to encourage tourists to come to the UK.

Lord Forsyth of Drumlean: VisitEngland presumably does not spend all its budget on encouraging people to stay at home. Does it not use some of the budget to persuade people to come from overseas?

Conrad Bird: They should do that through VisitBritain. VisitEngland does not do international advertising. They are different.

Lord Forsyth of Drumlean: You have the advantage over me on this. VisitBritain does do promotions of Britain in that it shows Shakespeare, Anne Hathaway's cottage and all that stuff in order to encourage people to come to Britain.

Conrad Bird: Which is GREAT-branded.

Lord Forsyth of Drumlean: Which is GREAT-branded. Are you taking credit for the money that VisitBritain spends as part of the value that is added by GREAT Britain?

Conrad Bird: We are only taking credit in these figures for the money that the GREAT fund gives VisitBritain to do that.

Lord Forsyth of Drumlean: I am asking this: if you take the money that you give from the GREAT fund and compare the value added using your evaluation methods, and you apply the same thing to VisitBritain, what is the difference?

Conrad Bird: The difference is that some of their tactical activity is slightly more effective than GREAT activity at the moment.

Lord Forsyth of Drumlean: What is tactical activity?

Conrad Bird: I am sorry. It means some of their other activities. They do joint-funded activity as well. We give them GREAT-funds for activity and the return on investment has been around 8:1 to 10:1 in the launch phase. Some of the other activity that they do, which is still GREAT-branded but it is joint-funded, is actually more effective than that. But VisitBritain would say that you have to do both your image and your tactical work together.

The Chairman: I think we ought to leave it there for the moment.

Lord Forsyth of Drumlean: Perhaps I may ask one more question to be sure that I understand this. So you are saying that they get a better return on the money than the GREAT campaign funding.

Conrad Bird: In some areas, yes, but they would also say that you cannot go into new markets only with tactical work. You need to promote your country in the way of GREAT, in an image way, in order to generate awareness so that you can convert that with tactical work.

Lord Forsyth of Drumlean: Can you give us a note on all this?

Conrad Bird: Yes, of course.

Q323 Baroness Nicholson of Winterbourne: It is possible that Lord Forsyth may have caught you on a hook, but my suggestion would be that it is because you are swimming

in the wrong pool. The purpose of the GREAT Britain campaign as identified in our paperwork by, I suspect, you is that it showcases Britain's capabilities by promoting and enhancing Britain's reputation. But you are using judgment criteria, as has been obvious over the past five minutes, which are the same judgment criteria for other parts of the system that are not designed to fulfil your requirements: that is, the requirements of the GREAT campaign. I know how difficult it is to justify promotional campaigns and therefore how easy it is to grasp at something tangible and say, "This shows that it was worth while". But that is difficult because those tangible items are already being grasped by every other department, rightly or wrongly. Have you put your mind and your team's mind to identifying new ways of classifying results? In other words, I would suggest that you are identifying success or failure by the criteria that are used by other departments, which have different types of objective and different budgets and which may or may not therefore be able to claim them. I often think that they should not, incidentally, but that is a different point. It usually happens when the Prime Minister heads a big delegation, and UKTI will claim that the big contract that has been signed is due to them. That is very rare. It has usually been worked on for about five years by the company in question, like Marks & Spencer in China, for example. Are you falling into that trap, and if that is the case, which as I listen to you I feel may be the case, why have you not worked out, given the capacity and the knowledge base you have in your team, ways of really identifying where promotional campaigns can show benefit? There must be some new ways.

Conrad Bird: That is really helpful. Thank you. When we set this campaign up, we were very sure that we had to show a return on investment for it. In the first stages we had money and we allocated that money to certain departments so that they could continue their work under the GREAT banner, and then we tracked their return on investment on it. We were really quite strict on that economic return because we need to be able to persuade the Treasury and others to continue with this campaign based on an economic return. As we go forward, the point about reputation is really well made because there is a reputational effect on top of this. We are pushing preceptions.

Baroness Nicholson of Winterbourne: It seems to be at the heart of what the campaign is for.

Conrad Bird: We are driving people's perceptions for a reason. I think that the two are linked. The reason we are trying to drive people's perceptions of the UK in a positive direction is in order to gain an economic return.

Baroness Nicholson of Winterbourne: But it takes time.

Conrad Bird: Yes, it takes time. This is the really good point that you made. As I say, when the campaign was kicked off, it felt as if it was on an annual cycle. Now that we have more strategic certainty, we are able to concentrate more on influencing people beyond just an annual cycle, which is a far more sensible way to do it. We are looking at changing perceptions over time by working with cultural organisations that have three to four-year planning cycles. We are working on events and activities that can push our reputation in order to gain economic returns over time.

Baroness Nicholson of Winterbourne: Are they the sort of *modus operandi* that the Committee is looking for?

Conrad Bird: I am sorry.

Baroness Nicholson of Winterbourne: Is this not what we are searching for from you? What are these classifications and identifications?

Conrad Bird: We are building those metrics now. Let us remember that the original metrics were around economic return, but we are looking at metrics such as whether we can calculate the influence over time that organising GREAT events can have over people in the building of relationships. We are looking at some of what I would call initially softer but very important metrics going forward.

Baroness Nicholson of Winterbourne: But given that the purpose of your effort is to build reputation and make Britain better known, as it were—you have chosen certain countries, but that is just a matter of choice—why did you not build this in at the beginning? I think you must feel, at least from some of my colleagues on this Committee, that we have a marginally questioning view as to whether your analysis of economic return from other ministries is honestly justified or can actually be analysed at all. We have to ask whether the ministries would be spending the money in other ways. I think it is quite hard for you to justify that, but there would be no difficulty, I suggest, if you came to us with a classification of the soft things that you are in fact trying to do. Why did you not have all that sorted out at the beginning?

Conrad Bird: First of all, on your comments about the difficulty of justifying figures. We take all the data we get back from working with departments and we audit them externally to make sure that they are robust. I am pretty comfortable with the figures, which have been through the audit procedure and are as real as we can make them. On the reputation point, we do have perception studies, and again those relate to the economic return. Something that we have been doing more recently with UKTI is measuring how perception of the UK relates back into economic returns. I think that we are making efforts in that direction.

Q324 Lord Janvrin: I want to pursue this a little further, but with a general question and a request for a bit of detail on that last point. I am possibly in a minority—I do not know—but I wish the GREAT campaign had been around when I was serving overseas a long time ago because it would have provided a much needed focus, which is something the Committee has discussed in other contexts. If you were looking at starting out again, or if you were to design a “son of GREAT” campaign, or the next phase, what are the key lessons? You have mentioned the importance of taking a longer term perspective and not a one-year funding cycle. Have you formed any conclusions about, for example, using social media and that kind of activity? I do not think that that plays a part in your overarching effort, but perhaps you will correct me. Secondly, this whole point about metrics around influence is actually what soft power could well be about. I will be interested if you could explain what you are doing in trying to measure perceptions of influence in this way.

Conrad Bird: On the digital side, we did not really talk about the channels that we use, but digital is at the heart of this campaign; not just because so many tourists seek holidays online, but because in business and so on it is a vital, everyday tool. Digital is at the heart of this. We have Facebook pages with over 2 million visitors. On our tourist sites we include education, and the British Council also has Facebook pages. So we use social media a lot. The more we can get people to engage with each other and interact with our campaigns, the more effective they will be. It is at the heart of the campaign.

On the metrics of influence, I have read much of the evidence and heard Jonathan McClory and so on talking about this. It is not something that I have seen coming through in many of the notes about any organisation that has managed to, in granular detail, calculate return on influence. How do you create influence? When I was at the Foreign Office, I remember finding it a very difficult thing to analyse. We can do general perception. We can do the Anholt surveys and the soft power surveys. We know that Britain is a soft power superpower. We are third or fourth in the nation brands index. This is good global stuff.

How you then assess that, work out an activity and then try to measure influence from it is very difficult. I know from the Chevening programme that when you interrogated people about it, they all said, "Yes, it sort of works but we find it difficult to analyse how". I think that you can do it around positive perceptions versus negative perceptions. We do that in terms of analysing press clippings about certain activities that we have done and can see positive versus negative sentiments. I think you also have to rely on anecdotal information. For instance, there was a very good quote from one of our senior officials in China who was talking to an official who said, "I did not realise that you were such a creative nation. I thought that you were a nation that was backward-looking, not very innovative and so on. Actually, in the Olympics, the Shanghai expo and the GREAT campaign, your creativity is coming to the fore". Those perceptions really matter and we can try and work in areas where you gather anecdotal information that shows senior influences and perceptions are changing. It is a really tough area to measure and evaluate. You make a very good point. It is tough to measure the economic return but it is at least tangible. These are robust figures and give you a good idea of return on investment. However, we would be neglectful as we go forward if we did not try to make an effort to work out the return on influence, which is something that we are trying to work on. It really does need some thought and I would welcome the Committee's thoughts on your understanding of soft power and, most importantly, the measurements of soft power in granular detail, and how we can incorporate that into the GREAT campaign. It is a really tough area.

Q325 The Chairman: There is one final question on the structure side before we come on to a final issue. You are presumably mobilising a great deal of talent from outside. As we know, you mentioned the Shanghai Pavilion, which was brilliant. Are you using one particular advertising agency and one promotion and PR agency or a whole range of agencies, or indeed none?

Conrad Bird: First, when we talk about mobilising talent from outside, you are totally right. Over 150 businesses and celebrities have supported this campaign. That has been fantastically helpful. They have given cash, they have given in kind, and they have given advice to help us build this and extend its reach. In terms of using agencies, we kicked off the campaign with one advertising agency. In terms of the centre, we have moved towards using a different company, which is more around creative services offering design, branding, digital and so on.

Lord Foulkes of Cumnock: Which company?

Conrad Bird: The company that we worked with at the very beginning was called Mother, the advertising agency that came up with the name, GREAT. Today we are using a company called Radley Yeldar, which is a full-service, creative design agency.

Baroness Armstrong of Hill Top: Where are they from?

Conrad Bird: They are both London agencies—British agencies, I must say. That is for my team's central GREAT campaign activity, and obviously other partners will use their own agencies, but we try to share as much of the agency resource as possible for cost efficiency's sake.

The Chairman: I am going to ask Baroness Armstrong to open up the final question on credibility. We have heard a lot from Professor Nye and around the world on how these campaigns do or do not convince.

Q326 Baroness Armstrong of Hill Top: First, soft power is most effective when it is not seen as the propaganda of government. We benefit because our BBC and the British

Council are not seen internationally as arms of government, whereas the GREAT campaign is driven and controlled by government. Do you see that as a disadvantage? I add a very small rider: I come from the north-east.

Lord Foulkes of Cumnock: The north-east of England.

Baroness Armstrong of Hill Top: I hope you can hear that. I do not think that the GREAT campaign reflects the regions and so on of the country. We had a fantastic campaign in the north-east, the Passionate People campaign, which was seen as most effective, certainly on tourism, but we had to drop it because the Government did not want regions and regionalism. The GREAT campaign is now the only thing that we can work through. Does this not deny that we are a country of enormous diversity and variety, and that that is part of our strength, too?

The Chairman: Right. That is a challenge.

Conrad Bird: Shall I try to answer those two questions? Would you mind, Alex, or do you wish to kick off?

Alex Aiken: You kick off. There are some things I can add.

Conrad Bird: The first thing is whether this is seen as a government campaign. We do not claim that it is not, but if you look at the images and the way it has been set up, it seems to be slightly distant from government for two reasons. First, we do not have government logos or crests all over it. We use the union flag, which is the most powerful icon overseas, and therefore it is seen as being, if you like, on behalf of Britain. Equally, all the businesses that support this—the great brands of McLaren, Aston Martin and Jaguar Land Rover—are willing to wear this brand, if you like, and put it on their products help to take this out of the government campaign sphere and into much more national parlance. That is really important. It does not strictly feel like a government campaign; it feels like a national campaign on behalf of the people and the businesses of Britain.

In terms of the regional side, we were very careful from the beginning when using this campaign to reflect the strengths of all of Great Britain.

Baroness Armstrong of Hill Top: It does not come across.

Conrad Bird: Have you seen all the advertisements that we use overseas, because we use everything?

Baroness Armstrong of Hill Top: We have just been looking at them here.

Conrad Bird: We use the Scottish countryside.

Baroness Armstrong of Hill Top: You use the DNA single from Newcastle, basically as Newcastle has done all the work, but it does not say Newcastle, it says Britain.

Conrad Bird: It is important. How do people overseas see us? We are trying to sell Britain against France, the USA, and Germany. These are our competitors, and to attract them to this country and to aspects of this country we have to try to present a strong, compelling, unified image that can draw them in to come to this country. We reflect education in the north-east, business in Wales, the countryside in Wales, and our Thomas Heatherwick-designed Routemaster bus, which is branded Great Britain and Northern Ireland, is going around the world at the moment reflecting the best that Britain has to offer. We do try to reflect and represent all the strengths that Britain has in all dimensions across this area.

Having said that, we are not claiming to represent all of Britain in its entirety, because we are trying to promote the strengths of Britain in order to gain an economic return on that,

so we are trying to work with messages and images that we know from research will be the most powerful and that will convert our audiences to come and to invest, visit or study in the UK.

Equally, there is a problem of capacity. If we had a bigger team, there would be thousands of Great British images out there. There is so much. The story has not been told yet. It is an 18 month-old campaign. We have a long way to go, and we have hundreds and thousands of stories that we have not told yet that we intend to tell over time. It is simply a matter of time and capacity rather than intent.

Baroness Armstrong of Hill Top: It looks very London-based and very London-centric.

Alex Aiken: We hear what you say, but I will seek to reassure you. I have just noted here that part of our new Exporting is GREAT campaign highlights how we are building success from Durham to Dubai. That is one example of how we recognise that it is a UK campaign, but fundamentally it is aimed at overseas audiences, and we need to get that core message across because of the competition that is out there.

Q327 Baroness Nicholson of Winterbourne: How does DfID fit into that? The purpose of DfID is not to make an economic return for the UK, nor, in that sense, to enhance our reputation. The purpose of DfID is to help the poor overseas.

Conrad Bird: That is its purpose but there are certain images – not many that they have used – on reputation to talk about British companies and organisations that have done amazing things to assist the poor overseas. It sometimes uses those as placards or posters in its offices around the world.

Baroness Nicholson of Winterbourne: You mean that you are promoting individual companies' corporate social responsibility actions. Is that a good idea? Is it harmful for the company? Must you particularise between one company and another company? Surely that is not the right way for your campaign to go.

Conrad Bird: I think we have used a couple of examples for DfID where we are talking about, for instance, an innovative designer of wheelchairs. It made special, robust wheelchairs that were cheap, low cost and robust for getting over poor terrain for disabled people overseas. That was a way of showcasing a small company that was doing great good. We were happy for that to be used.

Baroness Nicholson of Winterbourne: So that is not DfID, that is a company that is making a profit, which is perfectly accurate, and why not?

Conrad Bird: But DfID used the message in its offices throughout the world.

Alex Aiken: It was supported through the UK Government by the humanitarian innovation fund on that basis. I was at DfID on Friday, and it recognises that it has a role in the GREAT campaign, although inevitably its main focus is elsewhere.

Baroness Nicholson of Winterbourne: But is it not a role in which DfID is therefore using the funding given to the poor to promote the work of DfID.

Alex Aiken: No, I do not think that that is right. It is absolutely focused, as you said, on its main objective, which is to help minimise and where possible end extreme poverty.

Q328 Lord Foulkes of Cumnock: I have two very quick questions. Much to my surprise, you have not mentioned, at least I have not heard you mention, the Diamond Jubilee and the Royal Family. Why?

Baroness Armstrong of Hill Top: He mentioned it at the very beginning.

Conrad Bird: I am happy to mention that.

Alex Aiken: The Royal Family are important.

Conrad Bird: The Royal Family have been very helpful in assisting this campaign, not just through the Diamond Jubilee. Prince Harry attended an event we held in Rio, up Sugar Loaf Mountain, to help support the campaign when we launched it in Brazil. It was very powerful indeed.

Lord Foulkes of Cumnock: Maybe I was not listening properly. Lastly, if this Committee comes out with recommendations for reorienting the campaign, are you prepared to look at them?

Alex Aiken: Absolutely, and Conrad would and he ultimately reports to me. He does an excellent job. This Committee's work is important to us. Soft power is important to us. I have an interest in cross-government, and in preparation for this hearing I talked to my colleagues at DfID and the Foreign Office and so on. I say, "This is an interesting area. What are we doing?". I was not intimately aware of the concepts around soft power. I know a little more about it now, although not as much as you, and the Foreign Office idea of smart power. You have my assurance as the head of government communications that we would respond. It will be debated at the directors of communications' meetings and in the groups that we have for these areas. This campaign is young, organic and growing, but we need the benefit of all citizens and Peers of the realm in order to make it successful. If there is an area in which you say, "Look, you need to think again", we will absolutely think again.

Conrad Bird: That is the magic bullet.

The Chairman: There we are that is part of our homework and task for the future. Gentlemen, we have kept you longer than I had planned but it has been extremely interesting. You have robustly answered many, many questions. Some of us who are really long in the tooth can remember the post-war campaign, "All that's best in Britain"—you may remember that—with a picture of a Standard Vanguard. Shortly after that, I am afraid, the British motor industry virtually disappeared, although now it has come back. Shortly after that we had problems outwith the control of government, not entirely unlike the groundnut scheme and other things that did not help our reputation. But this time we must ride over the difficulties. You are obviously putting determined efforts into doing that and displaying an attractive and persuasive image of this country. We thank you for what you are doing and for coming to see us, and we are grateful for the information you have given us. Thank you very much.

Conrad Bird: Thank you very much.

‘Great Britain’ Campaign – Supplementary written evidence

This submission meets the Committee’s request for follow up information on the metrics used to analyse impact of the GREAT Britain campaign following the appearance of witnesses Alex Aiken and Conrad Bird on 2 December. It also seeks to explain further the incremental nature of the benefit which derives to the UK from use of the campaign and adds more evidence on Mr Aiken’s and Mr Bird’s contention that the campaign delivers additional economic outcomes for the country, rather than supplanting existing activity.

The Committee had a particular interest in understanding the metrics around the £500 million of tourism economic benefits attributed to the campaign to date by VisitBritain and VisitEngland. The Committee was also keen to understand the additional value brought by GREAT to the ‘business as usual’ activities of both organisations.

I. Introduction

Monitoring, evaluation and the focus on return on investment (“ROI”) are core principles in the running of the GREAT campaign. This degree of focus on results and the requirement for the FCO, British Council, UKTI, VisitBritain and other departments to work together with a single brand and purpose is new.

HM Treasury have scrutinised and approved the GREAT (‘Five Case’ Green Book compliant) Full Business Cases¹³³ for both 2013/14 funding and the subsequent 50% increase in funding for the two-year period 2014-16.¹³⁴ This is significant as HM Treasury’s due diligence provides an authoritative external level of appraisal and endorsement to the overall campaign and to the evaluation and therefore to the impact methodologies used to measure its success.¹³⁵

Further evidence of the campaign’s effectiveness can be seen in the willingness of other British brands to become closely associated with GREAT. For example, it is highly significant that the campaign secured the participation and endorsement of David Beckham for both 2013/14 and 2014/15 at no cost, alongside strong financial and in-kind commitments from leading global companies such as HSBC, PricewaterhouseCoopers, WPP and Jaguar Land Rover.

Finally, the GREAT campaign has been externally evaluated as having positively influenced global perceptions of the UK. For example, a recent international assessment of the most valuable nation brands ranked the UK in fourth place globally (up from fifth in 2012 and overtaking Japan), with GREAT cited as a contributory factor as it is “fast becoming

¹³³ HM Treasury’s ‘Five Case’ Green Book compliant Full Business Case covers five detailed areas (Strategic; Economic; Commercial; Financial; and Management). For further information, please see:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

¹³⁴ A 50% increase in funding of the GREAT campaign to £45 million per annum for 2014/15 and 2015/16 was announced in the Autumn Statement in December 2013. For further information, please see:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/263942/35062_Autumn_Statement_2013.pdf

¹³⁵ Indeed, the tourism evaluation methodologies applied by both VisitEngland and VisitBritain are standard industry methodologies that have been applied by both organisations over several years. Evaluation of GREAT is simply a subset of existing evaluation work undertaken by both organisations. The standard methodologies applied, which have been historically reviewed by the National Audit Office, are recognised across the tourism sector as appropriate.

recognised as a gold standard in nation branding.”¹³⁶ Furthermore, GREAT has won both international and domestic awards (including the latest Civil Service ‘Growth Award’), has attracted the focus of academic papers and is receiving growing levels of attention from other governments worldwide keen to understand and replicate GREAT’s innovative and long-term approach to influencing investment, trade, tourism and education markets within a fast-changing and highly competitive global environment.

2. Overview of evaluation of the GREAT campaign

GREAT has become one of the Government’s most intensely evaluated initiatives. Measurement and evaluation of the campaign is undertaken at three distinct levels:

- a) at individual department/partner level. This comprises:
 - dedicated evaluation and monitoring teams in each organisation that use proven methodologies to track and analyse the economic returns of their marketing activities in their respective sectors (for example, both VisitBritain and VisitEngland have specialised teams that use methodologies previously approved by the National Audit Office to assess the economic benefits from tourism campaigns); and
 - Ambassador-led governance teams consisting of all other government department/partners at Post who assess GREAT bids for funding, approve them at a local level and present them centrally to London for a second level of scrutiny.
- b) at a central aggregated level. This comprises:
 - monthly summaries of outcomes of individual events (including foreign direct investment leads and support given to British companies seeking to export);
 - aggregation of the value of private sector support and celebrity endorsement;
 - regular Return On Investment analysis
- c) at an overall Governance level. This comprises:
 - final level of scrutiny of individual financial bids from the Senior Responsible Officer for the GREAT campaign in Cabinet Office and sign-off from the GREAT Programme Board chaired by the Secretary of State for Culture, Media and Sport; and
 - detailed independent scrutiny by HM Treasury. This work includes a cost-benefit analysis that considers the range, timeframe and level of economic benefits (including analysis on the different components of the campaign).

To ensure that GREAT continues to be externally validated as ‘best practice’, a core objective of the campaign is to work closely with the National Audit Office to obtain their independent sign-off on all GREAT evaluation methodologies. Indeed, in a recent assessment¹³⁷ of wider government support to UK exporters (‘Supporting UK Exporters Overseas’), the National Audit Office commented on GREAT as being an example of good practice:

¹³⁶ Source: Brand Finance, 2013. Please see:

http://www.brandfinance.com/images/upload/brand_finance_nation_brands_2013.pdf

¹³⁷ Source: “Supporting UK Exporters Overseas”, National Audit Office, October 2013.

“The GREAT campaign requires a more quantified approach to reporting than other growth-related activities. Posts must demonstrate the benefits of their planned events and specify a forecast rate of investment. The central GREAT team are assessing whether they can quantify the benefits further. They are encouraging posts to think more about the outcomes of their events, rather than the inputs/outputs. This is a shift in thinking for posts and could be a valuable basis on which to build further ways of demonstrating the value of the FCO’s wider work to promote exports.”

Source: National Audit Office, October 2013

3. VisitEngland evaluation of economic benefits

The strongest formal evidence of the economic additionality of GREAT to date has been through VisitEngland’s detailed economic analysis of its 2012 ‘Holidays at Home are GREAT’ staycation campaign.¹³⁸

Using NAO-approved tourism evaluation methodologies, VisitEngland calculates the economic benefits from domestic tourism by using an ongoing ‘brand tracker’ survey (currently conducted by TNS, an independent external party). The two main elements of VisitEngland’s evaluation are an assessment of the great2012offers.com and visitengland.com websites and an evaluation of its television advertising campaign among a wider audience of domestic holiday takers.

Typically, VisitEngland would expect a 20:1 return on investment according to its standard evaluation methodologies. VisitEngland’s GREAT campaign secured a 60:1 return in 2012 and was the most successful campaign that the organisation has ever run. For an investment of £5 million, VisitEngland secured incremental tourist expenditure of £300 million – assuming that VisitEngland would typically expect a £100 million return for the £5 million (assuming the average 20:1 return), then the additional incremental benefit of GREAT over normal ‘business as usual’ activity was £200 million in 2012 alone.

The results from VisitEngland’s GREAT campaign are based on additional expenditure in the economy as a direct result of the organisation’s specific GREAT promotional activities only. The evaluation methodologies applied by VisitEngland ensure that any economic impact attributed is not double-counted and is not as a result of other marketing campaigns or other expenditure.

4. VisitBritain evaluation of economic benefits

The £200 million economic benefit generated by international leisure tourism through GREAT in 2012/13 has also been calculated using core evaluation methodologies previously approved by the National Audit Office and recognised as standard across the tourism industry.

VisitBritain calculates the economic benefits from international leisure tourism attributed to GREAT using an ongoing ‘brand tracker’ survey of international travellers in 12 target

¹³⁸ Please see: <http://www.visitengland.org/marketing/HAHAG/results.aspx>

markets¹³⁹ (the survey is conducted independently by Ipsos MORI, a third-party research organisation and comprises polling of 1,000+ individuals in each market).

The ROI is calculated¹⁴⁰ by assessing the differences in ‘intention to travel’ in the target audience between those that saw GREAT advertising and those that did not. VisitBritain adopts a conservative approach to calculating the ROI by:

- limiting its economic modelling to ‘leisure’ visitors only (and excluding other categories such as ‘business visitors’ or ‘people visiting friends and family’);
- limiting its economic modelling to people living within just 10 miles of each target city (although the campaign will inevitably reach further as it had a strong digital component); and
- limiting its economic modelling to the ‘uplift in visits’ only.

VisitBritain’s ROI calculations also take account of key factors such as deadweight, the counterfactual position and competitor analysis. The results from VisitBritain’s GREAT campaign are based on additional expenditure in the UK economy as a direct result of the organisation’s specific GREAT promotional activities only. The evaluation methodologies applied by VisitBritain ensure that economic impact attributed is not double-counted and is not as a result of other marketing campaigns or other expenditure.

- **For VisitBritain, the initial 2012/13 GREAT brand campaign delivered an immediate ROI of 8:1, in addition to building longer-term awareness of the brand. For example, in March 2013, VisitBritain’s GREAT image advertising was the second ‘most likely’ to be spontaneously recalled amongst target audiences (up from fifth before the launch of the GREAT campaign). The GREAT campaign has also achieved a 50% increase in recall amongst people that were shown advertising materials (with 72% of recent international travellers recalling the campaign in March 2013). Indeed, this level of recall exceeds the norm of other international tourism brand campaigns that have been evaluated by Ipsos MORI.**
- **Finally, it is important to note that 2012/13 has been a record year for international tourism into the UK. The latest official data from the Office for National Statistics shows that in the first ten months of 2013, the number of holiday visitors to the UK were up by 6% on the same period in 2012 (which itself was a record year).¹⁴¹ Expenditure by international tourists during the first ten months of 2013 increased by 12% year-on-year to £17.8 billion.**
- **Indeed, VisitBritain highlighted the pivotal role that GREAT has in converting potential tourists into actual visitors to the UK:**

¹³⁹ Source: VisitBritain/Ipsos MORI, 2013. Estimated return based on potential incremental expenditure by ‘leisure visitors’ only to the UK from the following GREAT-targeted cities: Beijing, Berlin, Los Angeles, Mumbai, New Delhi, New York, Paris, São Paulo, Shanghai, Sydney, Tokyo and Toronto. The survey interviewed over 15,000 people over a 12-month period. The analysis also indicated that had the GREAT campaign not taken place, there would have been a potential downturn in leisure visitors to the UK from GREAT markets resulting in an estimated ‘counterfactual’ of approximately £465 million.

¹⁴⁰ The methodology utilises the ‘average spend per visitor’ for each market as defined by the ‘International Passenger Survey’ undertaken by the Office for National Statistics (which surveys between 700,000 and 800,000 people each year in order to produce estimates of tourism expenditure in the UK). 62

¹⁴¹ Importantly, the data showed particularly strong growth across ‘Rest of the World’ markets, which reported a 12% year-on-year increase in visitors to the UK for the first ten months of 2013.

- **“Not only are we seeing strong growth figures from our established markets, but also from new growth markets, such as China, South Korea and Mexico. Huge events have showcased Britain on a global stage as a great place to holiday, study, invest and do business – and these figures show that our GREAT campaign has helped turned spectators into visitors. As a result, Britain is on course to attain the highest spend from international visitors in its history by the end of the year.”**

December 2013

Sir Jeremy Greenstock – Written evidence

Soft Power and the UK's Influence

The first decade of the 21st century has provided plenty of evidence of the importance in politics and geopolitics of the power of persuasion and the declining effect of the use of military and political compulsion. The symptoms of the trend are clear in the stories of Iraq and Afghanistan, in the relative helplessness of outside powers trying to address the instability in the Middle East and in the continuing commentary on the declining global impact of the United States and Europe.

The causes that underlie the symptoms reflect shifts in the global distribution of power since the end of the Cold War and the consequences of the spread of freedom and equal opportunity. The ingredients of this remarkable period of change include:

- the moral force of the concept of self-determination and political independence, established by the Charter, declarations and operations of the United Nations and encouraged by American support for democracy and individual freedom;
- the growing power of the people's voice, given strength by the increasing pervasiveness of open communications channels and by the widespread promotion of individual rights;
- the resulting focus in politics and society on ethnic, religious and political identity and the increasing trend for moral and political legitimacy to reside in the wishes of the people of a particular locality;
- the openness and global comprehensiveness of economic exchange and opportunity and the rapid expansion of methods of doing business internationally;
- the deepening distaste among both governments and individuals for war and the use of military force, in a reaction against the legacy of the 20th century, against the increasing destructiveness of modern weaponry and against the uncontrolled human rights and humanitarian consequences of warfare.

The accumulated effect of these trends has been to counter the image and actuality of a Western advanced industrial elite and to accelerate the chances for a much wider range of countries of advancing their economic interests. This has generated two principal consequences:

- a) There are far more genuinely independent actors on the global stage, going beyond governments to multinational companies, civil society, small groups whether benign or malign in character, all the way to powerful individuals. While most people are still struggling to comprehend the arrival of multipolarity in geopolitics, the reality is already moving beyond a multipolar stage to one of uncontrollable diversity and localisation.
- b) The main criterion for the strength and impact of a modern state or society has become economic rather than political/military performance. This stems from the unacceptability of the use of political or military weight to impose solutions in a highly competitive world, and

the growing respect for those who take responsibility for their own development in a meritocratic and egalitarian environment. Leading by example in the economic sphere works, where attempting to do the same in the military or political sphere does not.

When it comes to the UK, the following points are important:

- economic health, not to say dynamism, through competing in a fair and law-abiding way for globally available opportunities, becomes paramount;
- any reliance on attributes or privileges derived from the past decrease in effect with time;
- our connectedness to most parts of the world, through history, trade, membership of institutions and good diplomacy, remains a strong advantage, as does our familiarity with the increasing complexity, diversity and vulnerability of the digital universe;
- the attractiveness of the UK in cultural or presentational terms is increased by its acceptance of an equal and meritocratic world, by consideration for other cultures and for those in less advanced stages of development and by perceptions of the contributions the UK makes to global problem-solving;
- where the UK is compelled to make choices, for instance in a regional crisis, its adherence to the principles of international behaviour and its ability to win the backing of mainstream international opinion become more important in a world in which legitimacy has a concrete force.

We undoubtedly have a number of things running in our favour. The widespread use of the English language, however much influenced by the cultural power of the United States, gives us a distinct advantage. The example and longevity of our principal institutions, the monarchy, Parliament, the law, the City and the best of our media, exercise an influence well beyond the Commonwealth. Our capacity in international forums to help solve problems, find compromises and negotiate texts is seen as constructive. Our general professional competence is admired, though only against the background of widespread incompetence elsewhere.

We also carry some handicaps. The most significant is our lack of robust economic health and commercial dynamism. We gain surprisingly few image points for innovation and technology, in spite of the reality of considerable capability in these fields. It may be the marketing. We are also seen as relying on privilege, something that stems from our continuing permanent membership of the UN Security Council, our role in NATO and the Commonwealth and perhaps most significantly from our almost obsessive relationship with the US. On this last point, while we should assign high priority to the quality of Anglo-American relations, we should be aware enough of the occasional differences in the mindset and values of our two peoples not to be afraid of taking a distinctive position when it reflects our national interest and character better.

The importance of soft power lies not in its superiority to hard power, as though there was a binary choice, but in its indispensability in 21st century geopolitics as a corollary of hard power. For the reasons given above, relying primarily on hard power reduces the impact and acceptability of a state's policies. But soft power, the capacity to persuade and attract, is insufficient on its own to promote and defend national or group interests. In certain critical

circumstances, it can too easily be ignored. The story of the EU in modern times illustrates that.

It is the balanced combination of hard and soft power that is most effective. Speak persuasively, but carry a big stick. The UK has been notable, at least before it began to reduce its armed forces to too low a quantity, for creating as good a balance in that respect for its size of population as any country. Our armed forces and our diplomatic skills are equally professional. Our willingness to choose either dialogue or hard action gains respect, at least when the choice is well judged by international norms. The BBC, the British Council, the British arts world and UK sport, together with other aspects of our culture and presentation, are world class when properly resourced.

I hope that the Committee will, above all, pay attention to the maintenance of this balance and to the need for both sides of it to be adequately cared for.

17 September 2013